

Exhibit	Tab	Schedule	Appendix	Contents
5 – Cost of Capital and Rate of Return	1	1		Capital Structure & Debt Instruments

**Appendices**

A	Promissory Note City of Welland
B	TD Securities Loan

1   **OVERVIEW:**

2   The purpose of this evidence is to summarize the method and cost of financing capital  
3   requirements for the 2013 Test year.

4   **Capital Structure:**

5   Welland Hydro has a current deemed capital structure (as of 2010) of 60% debt and 40%  
6   equity. The debt is comprised of 56% Long Term with a deemed rate of return of 7.62%  
7   and 4% Short Term with a deemed rate 1.33%. Welland Hydro's current deemed rate of  
8   return on equity is 8.01%. This application has been prepared with the current deemed  
9   capital structure of 56% Long Term Debt, 4% Short Term Debt, and 40% Equity.

10   Chapter 2 Filing Requirements Appendices Module provides Appendix 2OA- Capital  
11   Structure and Cost of Capital which are presented on pages 2 to 6 of this schedule.  
12   Appendix 2-OB Debt Instruments are presented on pages 7 to 9 of this schedule.

13   **Return on Equity:**

14   Welland Hydro is requesting a return on equity ("ROE") for the 2013 Test year of 9.12%  
15   in accordance with the Cost of Capital Parameter Updates for 2012 Cost of Service  
16   Applications issued by the OEB on March 2, 2012. Welland Hydro understands that the  
17   OEB will be finalizing the ROE for 2013 rates based on January 2013 market interest rate  
18   information. Welland Hydro's use of an ROE of 9.12 % is without prejudice to any  
19   revised ROE that may be adopted by the OEB in early 2013.

File Number: EB-2012-0173  
 Exhibit: 5  
 Tab: 1  
 Schedule: 1  
 Page: 2

Date: August 31, 2012

## Appendix 2-OA Capital Structure and Cost of Capital-2009

This table must be completed for the required years of all historical years, the bridge year and the test year.

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Application			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	52.70%	\$13,873,328	7.62%	\$1,057,148
2	Short-term Debt	4.00% (1)	\$1,053,004	1.33%	\$14,005
3	<b>Total Debt</b>	<b>56.7%</b>	<b>\$14,926,332</b>	<b>7.18%</b>	<b>\$1,071,153</b>
	<b>Equity</b>				
4	Common Equity	43.30%	\$11,398,768	8.01%	\$913,041
5	Preferred Shares		\$ -		\$ -
6	<b>Total Equity</b>	<b>43.3%</b>	<b>\$11,398,768</b>	<b>8.01%</b>	<b>\$913,041</b>
7	<b>Total</b>	<b>100.0%</b>	<b>\$26,325,100</b>	<b>7.54%</b>	<b>\$1,984,194</b>

**Notes**  
 (1)

4.0% unless an applicant has proposed or been approved for a different amount.

File Number:

EB-2012-0173

Exhibit:

5

Tab:

1

Schedule:

1

Page:

3

Date:

August 31, 2012

## Appendix 2-OA Capital Structure and Cost of Capital-2010

This table must be completed for the required years of all historical years, the bridge year and the test year.

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Application			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$15,379,673	7.62%	\$1,171,931
2	Short-term Debt	4.00% (1)	\$1,098,548	1.33%	\$14,611
3	<b>Total Debt</b>	<b>60.0%</b>	<b>\$16,478,221</b>	<b>7.20%</b>	<b>\$1,186,542</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$10,985,481	8.01%	\$879,937
5	Preferred Shares		\$ -		\$ -
6	<b>Total Equity</b>	<b>40.0%</b>	<b>\$10,985,481</b>	<b>8.01%</b>	<b>\$879,937</b>
7	<b>Total</b>	<b>100.0%</b>	<b>\$27,463,702</b>	<b>7.52%</b>	<b>\$2,066,479</b>

### Notes

(1)

4.0% unless an applicant has proposed or been approved for a different amount.

File Number: EB-2012-0173  
 Exhibit: 5  
 Tab: 1  
 Schedule: 1  
 Page: 4

Date: August 31, 2012

## Appendix 2-OA Capital Structure and Cost of Capital-2011

This table must be completed for the required years of all historical years, the bridge year and the test year.

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Application			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$16,058,659	7.62%	\$1,223,670
2	Short-term Debt	4.00% (1)	\$1,147,047	1.33%	\$15,256
3	<b>Total Debt</b>	60.0%	\$17,205,706	7.20%	\$1,238,926
	<b>Equity</b>				
4	Common Equity	40.00%	\$11,470,471	8.01%	\$918,785
5	Preferred Shares		\$ -		\$ -
6	<b>Total Equity</b>	40.0%	\$11,470,471	8.01%	\$918,785
7	<b>Total</b>	100.0%	\$28,676,177	7.52%	\$2,157,710

### Notes

(1)

4.0% unless an applicant has proposed or been approved for a different amount.

File Number: EB-2012-0173  
 Exhibit: 5  
 Tab: 1  
 Schedule: 1  
 Page: 5

Date: August 31, 2012

## Appendix 2-OA Capital Structure and Cost of Capital-2012 Bridge Year

This table must be completed for the required years of all historical years, the bridge year and the test year.

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		<b>Application</b>			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$17,988,412	7.62%	\$1,370,717
2	Short-term Debt	4.00% (1)	\$1,284,887	1.33%	\$17,089
3	<b>Total Debt</b>	<b>60.0%</b>	<b>\$19,273,299</b>	<b>7.20%</b>	<b>\$1,387,806</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$12,848,866	8.01%	\$1,029,194
5	Preferred Shares		\$ -		\$ -
6	<b>Total Equity</b>	<b>40.0%</b>	<b>\$12,848,866</b>	<b>8.01%</b>	<b>\$1,029,194</b>
7	<b>Total</b>	<b>100.0%</b>	<b>\$32,122,165</b>	<b>7.52%</b>	<b>\$2,417,000</b>

**Notes**  
 (1)

4.0% unless an applicant has proposed or been approved for a different amount.

File Number: EB-2012-0173  
 Exhibit: 5  
 Tab: 1  
 Schedule: 1  
 Page: 6

Date: August 31, 2012

## Appendix 2-OA Capital Structure and Cost of Capital-2013 Test Year

This table must be completed for the required years of all historical years, the bridge year and the test year.

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Application					
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$17,855,225	4.08%	\$728,493
2	Short-term Debt	4.00% (1)	\$1,275,373	2.06%	\$26,273
3	<b>Total Debt</b>	<b>60.0%</b>	<b>\$19,130,599</b>	<b>3.95%</b>	<b>\$754,766</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$12,753,732	9.12%	\$1,163,140
5	Preferred Shares		\$ -		\$ -
6	<b>Total Equity</b>	<b>40.0%</b>	<b>\$12,753,732</b>	<b>9.12%</b>	<b>\$1,163,140</b>
7	<b>Total</b>	<b>100.0%</b>	<b>\$31,884,331</b>	<b>6.02%</b>	<b>\$1,917,906</b>

### Notes (1)

4.0% unless an applicant has proposed or been approved for a different amount.

## Appendix 2-OB Debt Instruments

This table must be completed for the required years of all historical years, the bridge year and the test year.

2009 to 2011 Years

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	
1	Long Term Note Payable	City of Welland	Affiliated	Fixed Rate	16-Oct-05		\$ 13,499,953	0.0762	\$ 1,028,696.42	Actual Rate 6.25%
2	Long Term Loan	TD Securities	Third-Party	Fixed Rate	6-Feb-09	5	\$ 3,700,000	0.0287	\$ 106,190.00	Swap - Fixed Rate
3									\$ -	
4									\$ -	
5									\$ -	
6									\$ -	
7									\$ -	
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 17,199,953	0.06598	\$ 1,134,886.42	

### Notes

- 1 If financing is in place only part of the year, calculate the pro-rated interest and input in the cell.
- 2 Input actual or deemed long-term debt rate in accordance with the guidelines in *The Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*, issued December 11, 2009
- 3 Add more lines above row 12 if necessary.

## Appendix 2-OB Debt Instruments

This table must be completed for the required years of all historical years, the bridge year and the test year.

Bridge Year **2012**

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	
1	Long Term Note Payable	City of Welland	Affiliated	Fixed Rate	16-Oct-05		\$ 13,499,953	0.0762	\$ 1,028,696.42	Actual Rate 6.25%
2	Long Term Loan	TD Securities	Third-Party	Fixed Rate	6-Feb-09	5	\$ 3,700,000	0.0287	\$ 106,190.00	Swap - Fixed Rate
3									\$ -	
4									\$ -	
5									\$ -	
6									\$ -	
7									\$ -	
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 17,199,953	0.06598	\$ 1,134,886.42	

### Notes

- 1 If financing is in place only part of the year, calculate the pro-rated interest and input in the cell.
- 2 Input actual or deemed long-term debt rate in accordance with the guidelines in *The Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*, issued December 11, 2009
- 3 Add more lines above row 12 if necessary.

File Number: EB-2012-0173

Exhibit: 5

Tab: 1

Schedule: 1

Page: 9

Date: August 31, 2012

## Appendix 2-OB Debt Instruments

This table must be completed for the required years of all historical years, the bridge year and the test year.

Test Year 2013

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	
1	Long Term Note Payable	City of Welland	Affiliated	Fixed Rate	16-Oct-05		\$ 13,499,953	0.0441	\$ 595,347.93	Actual Rate 6.25%
2	Long Term Loan	TD Securities	Third-Party	Fixed Rate	6-Feb-09	5	\$ 3,700,000	0.0287	\$ 106,190.00	Swap - Fixed Rate
3									\$ -	
4									\$ -	
5									\$ -	
6									\$ -	
7									\$ -	
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 17,199,953	0.04079	\$ 701,537.93	

### Notes

- 1 If financing is in place only part of the year, calculate the pro-rated interest and input in the cell.
- 2 Input actual or deemed long-term debt rate in accordance with the guidelines in *The Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*, issued December 11, 2009
- 3 Add more lines above row 12 if necessary.

1 **Cost of Debt:**

2 **Long Term Debt**

3 Welland Hydro is requesting a return on Long Term Debt for the 2013 Test Year of  
4 4.08% which is based on a weighted average of Welland Hydro's existing Debt  
5 Instruments as can be seen on page 9 of this schedule.

6 Welland Hydro pays an interest rate of 6.25% on a \$13,499,953 Promissory Note held by  
7 the City of Welland. A copy of the Promissory Note with the City of Welland is included  
8 in Appendix A of this Exhibit. The Board's general guidelines for cost of capital in rate  
9 regulation are currently provided in the Report of the Board on Cost of Capital for  
10 Ontario's Regulated Utilities (the "2009 Report"), issued December 11, 2009. This  
11 report sets out that the interest rate to be used for Long Term Debt instruments should  
12 be the lower of the actual or deemed rate. As a result, Welland Hydro has included the  
13 deemed rate (for this promissory note) for long term debt of 4.41% used in accordance  
14 with the Cost of Capital Parameter Updates for 2012 Cost of Service Applications issued  
15 by the OEB on March 2, 2012. Welland Hydro understands that the OEB will be  
16 finalizing the Rate of Return for Long Term Debt for 2013 rates based on January 2013  
17 market interest rate information. Welland Hydro's use of a Long Term Debt rate of 4.41  
18 % for this promissory note is without prejudice to any revised Long Term Debt rate that  
19 may be adopted by the OEB in early 2013.

20 The second Debt Instrument is a \$3,700,000 5 year loan/swap taken out with TD  
21 Securities in February 2009. The swap effectively fixes the interest paid on this loan at  
22 2.87%. A copy of the loan is included in Appendix B to this Exhibit. Since this loan is  
23 currently below the 2012 Deemed Long Term rate used in 2012 COS applications,  
24 Welland Hydro has included this loan at 2.87%. This loan will require replacement in  
25 February, 2014. Current market forecast for a similar loan (interest only) is currently at  
26 an interest rate of 3.0%.

1     **Short Term Debt**

2     Welland Hydro is requesting a return on Short Term Debt for the 2013 Test year of  
3     2.06% in accordance with the Cost of Capital Parameter Updates for 2012 Cost of  
4     Service Applications issued by the OEB on March 2, 2012. Welland Hydro understands  
5     that the OEB will be finalizing the return on short term debt for 2013 rates based on  
6     January 2013 market interest rate information. Welland Hydro's use of a Return on  
7     Short Term Debt of 2.06% is without prejudice to any revised ROE that may be adopted  
8     by the OEB in early 2013.

9     **Rate Base**

10    Actual Rate Base calculations are provided in Exhibit 2.

## **Appendix A**

### **Promissory Note – City of Welland**



## CITY OF WELLAND

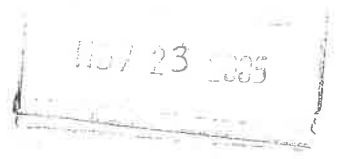
Office of the City Clerk

60 East Main Street

Welland, ON L3B 3X4

Phone: 905-735-1700 Fax: 905-732-1919

E-mail: craig.stirtzinger@welland.ca



# COPY

November 21, 2005

Mr. Ross Peever, CEO & President  
Welland Hydro-Electric System Corporation  
950 East Main Street, P.O. Box 280  
Welland, Ontario  
L3B 5P6

Dear Mr. Peever:

Please be advised that I have received by email on November 17, 2005 the Amended and Restated Promissory note (with 6.25% interest rate) dated as of October 19, 2005 and approved by resolution of the Welland Hydro-Electric System Corporation on November 16, 2005.

This document has been reviewed by the City Solicitor and appears to be in accordance with the resolution of the Welland City Council passed on November 1, 2005.

Yours very truly,



CRAIG A. STIRTZINGER,  
City Clerk.

CAS:cv

c.c. – T. Fitzpatrick, City Manager  
-- G. Bank, City Solicitor  
-- Mayor Damian Goulbourne



<b>WELLAND HYDRO-ELECTRIC SYSTEM CORP.</b>	<b>RESOLUTION</b>	Date Issued: Nov. 16, 2005
		Date Revised:
		Approval:
		Resolution #: 11/16/05-01

**AMENDED AND RESTATED PROMISSORY NOTE**

**WHEREAS:**

Pursuant to the Transfer By-Law No. 2000-91 of the Corporation of the City of Welland passed on June 27, 2000, Welland Hydro-Electric System Corp. issued and delivered to the City a Promissory Note dated as of July 1, 2000, in the principal sum of Fourteen million, two hundred and twenty-one thousand, six hundred and twenty-two dollars, (\$14,221,622) and;

**WHEREAS:**

The original Note was amended and restated on December 31, 2002 to adjust the principal sum to \$13,499,953 from \$14,221,622.

**WHEREAS:**

For OEB rate setting purposes it is desirable to fix an interest rate in the Note at the OEB deemed rate of 6.25% per annum, from May 1, 2006 to be paid no later than twelve (12) months from the date of demand in writing by the City.

**WHEREAS:**

The City at its November 1, 2005 meeting directed the Borrower to remove the clause in the October 19, 2005 Promissory Note which states "This Promissory Note is not assignable by the City of Welland without the consent of the Borrowers".

**THEREFORE BE IT RESOLVED THAT:**

The Chair and the President be authorized to sign the Amended and Restated Promissory Note dated as of the 19<sup>th</sup> day of October, 2005, and

Resolution 10/19/05-01 is hereby rescinded.

MOVED BY:

M. Dzugan

SECONDED BY:

M. Bailey

DATE:

Nov 16/05

CARRIED:

R. H. H. H.

## AMENDED AND RESTATED PROMISSORY NOTE

**WHEREAS** pursuant to the Transfer By-Law No. 2000-91 (the "Transfer By-Law") of the Corporation of the City of Welland (the "City") passed on the 27<sup>th</sup> day of June, 2000, Welland Hydro-Electric System Corp. (the "Borrower") issued and delivered to the City a Promissory Note dated as of the 1<sup>st</sup> day of July, 2000, in the principal sum of Fourteen Million, Two Hundred and Twenty-one Thousand, Six Hundred and Twenty-two Dollars (\$14,221,622) (the "Original Promissory Note") as partial satisfaction of the purchase price payable by the Borrower to the City for the Distribution Assets (as such term is defined in the Transfer By-Law);

**AND WHEREAS** the City and the Borrower amended and restated the Original Promissory Note as of December 31, 2002 to evidence a reduction in the principal sum;

**AND WHEREAS** the Original Promissory Note and the amended and restated Promissory Note dated as of December 31, 2002 are hereinafter collectively referred to as the "Revised Note";

**AND WHEREAS** the City and the Borrower wish to amend and restate the Revised Note to evidence the addition of interest payable;

**AND WHEREAS** the City at its November 1, 2005 meeting directed the Borrower to remove the clause in the October 19, 2005 Promissory Note which states "This Promissory Note is not assignable by the City of Welland without the consent of the Borrowers".

**AND WHEREAS** this Promissory Note amends, restates and replaces the Revised Note;

**FOR VALUED RECEIVED**, the Borrower hereby promises to pay to or to the order of the City of Welland the principal sum of Thirteen Million, Four Hundred and Ninety-nine Thousand, Nine Hundred and Fifty-three Dollars (\$13,499,953), with interest thereon from May 1, 2006 at the rate of six and one-quarter (6.25%) percent per annum, on a date which is no later than twelve (12) months from the date of demand in writing by the City.

The interest rate may be changed by the City by providing the Borrower with three (3) months prior written notice of the revised interest rate.

The terms of this Promissory Note are subject to the adjustment provisions of the Transfer By-Law. Adjustments made to the terms of this Promissory Note pursuant to the provisions of the Transfer By-Law shall be effective upon three (3) months' written notice to the Borrower by the City.

Except as provided above, any of the terms of this Promissory Note may be revised, changed or restated by the City in consultation with the Borrower upon one year's prior written notice of the City to the Borrower.

Upon due execution and delivery of this Promissory Note, the Original Promissory Note shall be deemed to be amended and restated in its entirety and shall be of no further force and effect.


**DATED** as of the 16<sup>th</sup> day of October, 2005.

**WELLAND HYDRO-ELECTRIC SYSTEM CORP.**

Per:

  
Tim Clutterbuck, Chair

Per:

  
Ross Peever, President

## **Appendix B**

### **TD Securities Loan**



**Securities**

TD Bank Financial Group  
Royal Trust Tower  
77 King Street West, 14<sup>th</sup> Floor  
Toronto, Ontario M5K 1A2

February 10, 2009

**WELLAND HYDRO-ELECTRIC SYSTEM CORP.**

ATTN: Mr. Wayne Armstrong  
Email address: warmstrong@wellandhydro.com

**From: The Toronto-Dominion Bank**

Contact: Claudia Alaniz  
Facsimile No: 416-963-1553  
Telephone No: 416-590-4234  
Email address: claudia.alaniz@tdsecurities.com

Dear Sirs:

**Reference: Swap Transaction Confirmation (Reference: #801810T)**

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement as specified below. This Confirmation supersedes any previous Confirmation or other communication with respect to the Transaction and evidences a complete and binding agreement between us as to the terms of the Transaction.

The definitions and provisions contained in the 2006 ISDA Definitions (the "Definitions") as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of January 22, 2009 as amended and supplemented from time to time (the "Agreement"), between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Each party represents to the other party that it is entering into this Transaction as principal (and not as agent or in any other capacity) with the full understanding of the terms, conditions and risks thereof and that it is capable of and willing to assume those risks.

The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	Feb 05, 2009
Trade Time:	Available on Request
Effective Date:	Feb 06, 2009
Termination Date:	Feb 06, 2014 subject to adjustment in accordance with the Modified Following Business Day Convention

Member of TD Bank Financial Group

## FLOATING AMOUNTS

Floating Rate Payer:	The Toronto-Dominion Bank ("Party A")
Notional Amount:	CAD 3,700,000.00
Floating Rate Payer Payment Dates:	Monthly on the 6 <sup>th</sup> of each month commencing on Feb 06, 2009 up to and including Jan 06, 2014 subject to adjustment in accordance with the Modified Following Business Day Convention
Floating Amount:	<p>For purposes of this Transaction, the calculation of Floating Amount set out in Section 6.1(a) the Definitions is amended to read as follows:</p> $\text{Calculation Amount} - (\text{Calculation Amount} \times \text{BA Price}) + \text{Spread Payment}$ <p>where:</p> <p>"BA Price" means an amount calculated as follows and rounded to the nearest 5 decimal places:</p> $1 / (1 + \text{Floating Rate} \times \text{Floating Rate Day Count Fraction})$ <p>"Spread Payment" means an amount calculated as follows:</p> $\text{Calculation Amount} \times \text{Spread} \times \text{Floating Rate Day Count Fraction}$
Floating Rate Option:	CAD-BA-CDOR
Designated Maturity:	1 month
Spread:	plus 55.0 basis points
Floating Rate Day Count Fraction:	ACTUAL / 365 FIXED
Reset Dates:	The first day of each Calculation Period or Compounding Period if Compounding is applicable
Compounding:	Inapplicable

## FIXED AMOUNTS

Fixed Rate Payer	WELLAND HYDRO-ELECTRIC SYSTEM CORP. ("Party B")
Notional Amount:	CAD 3,700,000.00
Fixed Rate Payer Payment Dates:	Monthly on the 6th of each month commencing on Mar 06, 2009 up to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention
Fixed Rate Payer Period End Dates:	Monthly on the 6th of each month commencing on Mar 06, 2009 up to and including the Termination Date with No Adjustment
Fixed Rate:	2.87000 %
Fixed Rate Day Count Fraction:	30 / 360
Calculation Agent:	The Toronto-Dominion Bank
Business Days in CAD:	TORONTO
Netting of Payments	Applicable
Fees:	Inapplicable

## EARLY TERMINATION

Optional Early Termination:	Applicable
Option Style:	European
Exercise Business Days:	TORONTO
<u>Procedure for Exercise</u>	
Option Exercise Date:	The date that is 5 Business Days preceding the selected Cash Settlement Payment Date
Expiration Date:	The date that is 5 Business Days preceding the Cash Settlement Payment Date
Expiration Time:	4:00 p.m. Toronto time
Partial Exercise:	Not Applicable
Multiple Exercise	Not Applicable
Written Confirmation of Exercise:	Applicable
Party A Contact Details for Purpose of Giving Notice:	Trading Desk
Party B Contact Details for Purpose of Giving Notice:	Please advise

Settlement Terms

Cash Settlement:	Applicable
Cash Settlement Valuation Time:	4:00 p.m. Toronto time
Cash Settlement Valuation Date:	Exercise Date
Valuation Business Day(s):	TORONTO
Cash Settlement Payment Date(s):	<b>Feb 05, 2012</b> subject to adjustment in accordance with the Following Business Day Convention
Cash Settlement Method:	Cash Price
Cash Settlement Currency:	CAD
Cash Settlement Reference Banks	To be mutually agreed on the Expiration Date
Quotation Rate:	Bid

**OFFICES**

The Office of Party A for this Transaction is its Toronto Office.

**SETTLEMENT INSTRUCTIONS**

Payments to Party B in CAD:

To be advised.

Payments to Party A in CAD:

To	: TORONTO DOMINION BANK
Favor Of	: TORONTO DOMINION BANK
Account Number	: 036001-4108729

This Confirmation may be executed in one or more counterparts, either in original or facsimile form, each of which shall constitute one and the same agreement. When executed by the parties through facsimile transmission, this Confirmation shall constitute the original agreement between the parties and the parties hereby adopt the signatures printed by the receiving facsimile machine as the original signatures of the parties.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation and returning it to us.

Yours truly,

THE TORONTO-DOMINION BANK

*Handwritten initials*

*Handwritten signature of Robert Johnson*

Robert Johnson  
Manager

*Handwritten initials*

Global Capital Markets Finance & Operations

Approved by Marketer/Trader:

Accepted and confirmed as of the date first written:

WELLAND HYDRO-ELECTRIC SYSTEM CORP.

*Handwritten signature*

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Swap Transaction Reference 801810T

<b>Exhibit</b>	<b>Tab</b>	<b>Schedule</b>	<b>Appendix</b>	<b>Contents</b>
<b>6 – Calculation of Revenue Deficiency or Surplus</b>				
	1	1		Revenue Deficiency - Overview Cost Drivers for Revenue Deficiency
				<b>Appendices</b>
			A	2013 Revenue Requirement Workform

**REVENUE DEFICIENCY - OVERVIEW:**

Welland Hydro's net revenue deficiency is \$154,323 and when grossed up for PILs Welland Hydro's revenue deficiency is \$187,802. This deficiency is calculated as the difference between the 2013 Test Year Revenue Requirement of \$9,659,680 and the Forecast 2013 Test Year Revenue Requirement at Welland Hydro's 2012 approved distribution rates of \$9,471,978. Table 6-1 on the following page provides the revenue deficiency calculations for the 2013 Test Year at Existing 2012 OEB-approved rates and the 2013 Test Year Revenue Requirement. For the purposes of this application, the 2012 Rate Rider for Smart Meter Incremental Revenue Requirement and the 2012 Rate Rider for Tax change have been included in Distribution Rates to produce a more realistic Revenue Deficiency calculation. All other rate riders have been excluded from Distribution Rates. Table 6.2 (Pg. 3) in this schedule includes the Revenue Deficiency from the Revenue Requirement Work Form. The two revenue deficiency statements are off by the difference between Welland Hydro's grossed up PILs of \$58,513 when the Revenue Requirement Work Form correctly calculates grossed up PILS of \$62,416. Welland Hydro raised this issue in Exhibit 4, Tab 1, Schedule 8, Page 3. This will be corrected when the issue regarding the Federal Small Business deductions is resolved during this application's proceedings. The Board Approved Revenue Deficiency from the 2009 COS is provided in Table 6.3 (Pg. 4) in this schedule.

**Revenue Requirement:**

Welland Hydro's Revenue Requirement consists of the following:

- Administrative & General, Billing & Collecting Expense
- Operation & Maintenance Expense
- Depreciation Expense
- Property Taxes
- PILS'
- Deemed Interest & Return on Equity

Welland Hydro's revenue requirement is primarily received through electricity distribution rates and offset by revenue from OEB-approved specific service charges, late payment charges, interest, and other operating income.

**Table 6.1**  
**Welland Hydro Electric System Corp.**  
**Revenue Deficiency Determination**

Description	2013 Test Existing Rates	2013 Test - Required Revenue
<b>Revenue</b>		
Revenue Deficiency		<b>187,802</b>
Distribution Revenue	8,970,789	8,970,789
Other Operating Revenue (Net)	501,089	501,089
<b>Total Revenue</b>	<b>9,471,878</b>	<b>9,659,680</b>
<b>Costs and Expenses</b>		
Administrative & General, Billing & Collecting	3,372,191	3,372,191
Operation & Maintenance	3,264,776	3,264,776
Depreciation & Amortization	1,081,618	1,081,618
PPE Return on Rate Base	(35,324)	(35,324)
Deemed Interest	754,766	754,766
<b>Total Costs and Expenses</b>	<b>8,438,027</b>	<b>8,438,027</b>
<b>Utility Income Before Income Taxes</b>	<b>1,033,851</b>	<b>1,221,653</b>
<b>Income Taxes:</b>		
Corporate Income Taxes	25,034	58,513
<b>Total Income Taxes</b>	<b>25,034</b>	<b>58,513</b>
<b>Utility Net Income</b>	<b>1,008,817</b>	<b>1,163,140</b>
<b>Income Tax Expense Calculation:</b>		
Deemed Income		1,163,140
Accounting Income	1,033,851	
Tax Adjustments to Accounting Income	(807,525)	(807,525)
<b>Taxable Income</b>	<b>226,326</b>	<b>355,616</b>
<b>Income Tax Expense</b>	<b>25,034</b>	
<b>Grossed Up PILS</b>		<b>58,513</b>
<b>Tax Rate Reflecting Tax Credits</b>	<b>11.06%</b>	<b>16.45%</b>
<b>Actual Return on Rate Base:</b>		
Rate Base	31,884,331	31,884,331
Interest Expense	754,766	754,766
Net Income	1,008,817	1,163,140
<b>Total Actual Return on Rate Base</b>	<b>1,763,583</b>	<b>1,917,906</b>
<b>Actual Return on Rate Base</b>	<b>5.53%</b>	<b>6.02%</b>
<b>Required Return on Rate Base:</b>		
Rate Base	31,884,331	31,884,331
<b>Return Rates:</b>		
Return on Debt (Weighted)	3.95%	3.95%
Return on Equity	9.12%	9.12%
Deemed Interest Expense	754,766	754,766
Return On Equity	1,163,140	1,163,140
<b>Total Return</b>	<b>1,917,906</b>	<b>1,917,906</b>
<b>Expected Return on Rate Base</b>	<b>6.02%</b>	<b>6.02%</b>
<b>Revenue Deficiency After Tax</b>	<b>154,323</b>	<b>0</b>
<b>Revenue Deficiency Before Tax</b>	<b>187,802</b>	<b>0</b>

1

Table 6.2

Revenue Deficiency/Sufficiency

2

Line No.	Particulars	Initial Application	
		At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$191,706
2	Distribution Revenue	\$8,970,789	\$8,966,885
3	Other Operating Revenue	\$501,089	\$501,089
	Offsets - net		
4	<b>Total Revenue</b>	<b>\$9,471,878</b>	<b>\$9,659,680</b>
5	Operating Expenses	\$7,718,586	\$7,718,586
6	Deemed Interest Expense	\$754,766	\$754,766
7		(\$35,324) (2)	(\$35,324)
	Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS		
8	<b>Total Cost and Expenses</b>	<b>\$8,438,028</b>	<b>\$8,438,028</b>
9	<b>Utility Income Before Income Taxes</b>	<b>\$1,033,850</b>	<b>\$1,221,652</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$807,525)	(\$807,525)
11	<b>Taxable Income</b>	<b>\$226,325</b>	<b>\$414,127</b>
12	Income Tax Rate	19.50%	19.50%
13		\$44,133	\$80,755
	<b>Income Tax on Taxable Income</b>		
14	<b>Income Tax Credits</b>	<b>(\$19,100)</b>	<b>(\$19,100)</b>
15	<b>Utility Net Income</b>	<b>\$1,008,817</b>	<b>\$1,159,236</b>
16	<b>Utility Rate Base</b>	<b>\$31,884,331</b>	<b>\$31,884,331</b>
17	Deemed Equity Portion of Rate Base	\$12,753,733	\$12,753,733
18	Income/(Equity Portion of Rate Base)	7.91%	9.09%
19	Target Return - Equity on Rate Base	9.12%	9.12%
20	Deficiency/Sufficiency in Return on Equity	-1.21%	-0.03%
21	Indicated Rate of Return	5.53%	6.00%
22	Requested Rate of Return on Rate Base	6.02%	6.02%
23	Deficiency/Sufficiency in Rate of Return	-0.48%	-0.01%
24	Target Return on Equity	\$1,163,140	\$1,163,140
25	Revenue Deficiency/(Sufficiency)	\$154,324	(\$3,904)
26	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$191,706 (1)</b>	

Table 6.3



**REVENUE REQUIREMENT WORK FORM**

Name of LDC: Welland Hydro-Electric System Corp.  
File Number: EB-2008-0247  
Rate Year: 2009

Revenue Sufficiency/Deficiency					
Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$1,608,305		\$1,677,531
2	Distribution Revenue	\$7,093,092	\$7,093,092	\$6,819,936	\$6,819,947
3	Other Operating Revenue Offsets - net	\$656,350	\$656,350	\$581,531	\$581,531
4	<b>Total Revenue</b>	<b>\$7,749,442</b>	<b>\$9,357,747</b>	<b>\$7,401,467</b>	<b>\$9,079,009</b>
5	Operating Expenses	\$6,863,493	\$6,863,493	\$6,657,843	\$6,657,843
6	Deemed Interest Expense	\$948,857	\$948,857	\$1,095,828	\$1,095,828
	<b>Total Cost and Expenses</b>	<b>\$7,812,350</b>	<b>\$7,812,350</b>	<b>\$7,753,671</b>	<b>\$7,753,671</b>
7	<b>Utility Income Before Income Taxes</b>	<b>(\$62,908)</b>	<b>\$1,545,397</b>	<b>(\$352,204)</b>	<b>\$1,325,338</b>
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$65,019	\$65,019	\$22,890	\$22,890
9	<b>Taxable Income</b>	<b>\$2,111</b>	<b>\$1,610,416</b>	<b>(\$329,314)</b>	<b>\$1,348,228</b>
10	Income Tax Rate	33.00%	33.00%	29.02%	29.02%
11	<b>Income Tax on Taxable Income</b>	<b>\$697</b>	<b>\$531,437</b>	<b>(\$95,567)</b>	<b>\$391,256</b>
12	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
13	<b>Utility Net Income</b>	<b>(\$63,604)</b>	<b>\$1,013,960</b>	<b>(\$256,637)</b>	<b>\$934,075</b>
14	<b>Utility Rate Base</b>	<b>\$27,324,488</b>	<b>\$27,324,488</b>	<b>\$26,931,529</b>	<b>\$26,931,529</b>
	Deemed Equity Portion of Rate Base	\$11,831,503	\$11,831,503	\$11,661,352	\$11,661,352
15	Income/Equity Rate Base (%)	-0.54%	8.57%	-2.20%	8.01%
16	Target Return - Equity on Rate Base	8.57%	8.57%	8.01%	8.01%
	Sufficiency/Deficiency in Return on Equity	-9.11%	0.00%	-10.21%	0.00%
17	Indicated Rate of Return	3.24%	7.18%	3.12%	7.54%
18	Requested Rate of Return on Rate Base	7.18%	7.18%	7.54%	7.54%
19	Sufficiency/Deficiency in Rate of Return	-3.94%	0.00%	-4.42%	0.00%
20	Target Return on Equity	\$1,013,960	\$1,013,960	\$934,074	\$934,074
21	Revenue Sufficiency/Deficiency	\$1,077,564	\$0	\$1,190,711	\$0
22	<b>Gross Revenue Sufficiency/Deficiency</b>	<b>\$1,608,305 (1)</b>		<b>\$1,677,531 (1)</b>	

## COST DRIVERS ON REVENUE DEFICIENCY

The Applicant notes there are several factors that contribute to the gross revenue deficiency of \$187,802 for the 2013 Test Year. The following discussion highlights some significant items that contribute to this deficiency. These were highlighted in Exhibit 1, Tab 2, Schedule 5, Page 1.

### OM&A Expenses

The Cost Driver Table presented in Exhibit 4 Tab 2 details the increases in OM&A since the 2009 COS application. OM&A has increased from \$4,913,837 in the 2009 COS to \$6,636,967 in the 2013 Test Year. However, Welland Hydro has identified three items which must be evaluated separately when comparing to 2009 COS amounts. An analysis is as follows:

2009 COS OM&A Cost	\$4,913,837	
MIFRS Change to Capitalized Overheads	\$ 300,348	6.1%
Smart Meter Related Expenses	\$ 360,237	7.4%
New CIS/Financial System	\$ 215,921	4.4%
Other	<u>\$ 846,624</u>	<u>17.2%</u>
2013 COS OM&A Cost	\$6,636,967	35.1%

Welland Hydro has provided a detailed analysis of the Other OM&A increases in Exhibit 4 but has provided a brief summary below:

Upgrade of Accounting Position IFRS	\$ 30,000	0.6%
Apprentice Lineperson	\$ 75,014	1.5%
Wage Inflation	\$ 355,568	7.2%
Benefits Inflation	\$ 171,361	3.5%
Retiree Benefits	\$ 45,943	0.9%
Bad Debt Expense	\$ 40,685	0.8%
Regulatory Expense	\$ 30,934	0.6%
LEAP Payments	\$ 11,000	0.2%
Receivable Insurance GS>50 Large Use	\$ 45,809	0.9%
Expense Inflation	\$ 175,109	3.6%
All Other	<u>\$(134,799)</u>	<u>(2.6%)</u>
	\$ 846,967	17.2%

Welland Hydro will have increased FTEs by 2 from the 2009 COS to the 2013 Test Year. The first was included in Welland Hydro's 2012 Smart Meter Application as a result of the switch to monthly TOU billings. The second is the addition of a linesman apprenticeship position in 2013. The 2013 test year also includes the upgrade of the Accounting Assistant. Base wages have increased on average approximately 3.0% per year. However, benefit costs have increased by 6% per year mostly related to the dramatic increase in OMERS Pension Plan rates. Retiree Benefit costs increased due to the early retirement of five employees since the 2009 COS. The reduction in costs is attributable to Welland Hydro performing more capital work and reducing dependency on outside contractors.

#### **Depreciation**

MIFRS has resulted in a significant decrease in depreciation expenses. 2012 CGAAP of \$2,037,829 compared to 2012 MIFRS of \$1,184,050 represents a decrease of \$853,779. Depreciation expense in the 2009 COS was \$1,717,160.

#### **Capital Structure and Rate of Return**

	<u>2009 COS</u>	<u>2013 COS</u>
Deemed Interest	\$1,095,828	\$ 754,766
Deemed Return on Equity	934,075	\$1,159,236
Total Rate of Return	\$2,029,903	\$1,914,002

Actual rate of return has decreased from 7.54% in 2009 COS to 6.02% in 2013 Test Year

#### **PILS**

Grossed Up PILs have decreased from \$391,256 in 2009 COS to \$58,513 in 2013 Test Year mainly due to the effect of MIFRS on taxable income.

## **Appendix A**

### **Revenue Requirement Workform**

# Revenue Requirement Workform

1. Info

2. Table of Contents

3. Data Input Sheet

4. Rate Base

5. Utility Income

6. Taxes PILs

7. Cost of Capital

8. Rev Def Suff

9. Rev Regt

## Notes:

- (1)
- (2)
- (3)
- (4)
- (5)

Pale green cells represent inputs

Pale green boxes at the bottom of each page are for additional notes

Pale yellow cells represent drop-down lists

**Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**  
**Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel**

# Revenue Requirement Workform

## Data Input <sup>(1)</sup>

	Initial Application	(2)	(6)	Per Board Decision
<b>1 Rate Base</b>				
Gross Fixed Assets (average)	\$53,874,400		\$ 53,874,400	\$53,874,400
Accumulated Depreciation (average)	(\$28,460,717)	(5)	(\$28,460,717)	(\$28,460,717)
Allowance for Working Capital:				
Controllable Expenses	\$6,636,967		\$ 6,636,967	\$6,636,967
Cost of Power	\$43,137,252		\$ 43,137,252	\$43,137,252
Working Capital Rate (%)	13.00%	(9)	13.00%	13.00% (9)
<b>2 Utility Income</b>				
Operating Revenues:				
Distribution Revenue at Current Rates	\$8,970,789			
Distribution Revenue at Proposed Rates	\$9,158,591			
Other Revenue:				
Specific Service Charges	\$150,385			
Late Payment Charges	\$70,849			
Other Distribution Revenue	\$236,908			
Other Income and Deductions	\$42,947			
Total Revenue Offsets	\$501,089	(7)		
Operating Expenses:				
OM&A Expenses	\$6,636,967		\$ 6,636,967	\$6,636,967
Depreciation/Amortization	\$1,081,619	(10)	\$ 1,081,619	\$1,081,619
Property taxes				
Other expenses				
<b>3 Taxes/PILs</b>				
Taxable Income:				
Adjustments required to arrive at taxable income	(\$807,525)	(3)		
Utility Income Taxes and Rates:				
Income taxes (not grossed up)	\$50,245			
Income taxes (grossed up)	\$62,416			
Federal tax (%)	15.00%			
Provincial tax (%)	4.50%			
Income Tax Credits	(\$19,100)			
<b>4 Capitalization/Cost of Capital</b>				
Capital Structure:				
Long-term debt Capitalization Ratio (%)	56.0%			
Short-term debt Capitalization Ratio (%)	4.0%	(8)	(8)	(8)
Common Equity Capitalization Ratio (%)	40.0%			
Preferred Shares Capitalization Ratio (%)	100.0%			
Cost of Capital				
Long-term debt Cost Rate (%)	4.08%			
Short-term debt Cost Rate (%)	2.06%			
Common Equity Cost Rate (%)	9.12%			
Preferred Shares Cost Rate (%)				
Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS (\$)	(\$35,324)	(11)	(11)	(11)

### Notes:

- General** Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%).
- (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year.
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement.
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.
- (10) Depreciation Expense should include the adjustment resulting from the amortization of the deferred PP&E balance as shown on Appendix 2-EA or Appendix 2-EB of the Chapter 2 Appendices to the Filing Requirements.
- (11) Adjustment should include the adjustment to the return on rate base associated with deferred PP&E balance as shown on Appendix 2-EA or Appendix 2-EB of the Chapter 2 Appendices to the Filing Requirements.

# Revenue Requirement Workform

## Rate Base and Working Capital

Line No.	Particulars	Initial Application		Per Board Decision	
1	Gross Fixed Assets (average)	(3)	\$53,874,400	\$ -	\$53,874,400
2	Accumulated Depreciation (average)	(3)	(\$28,460,717)	\$ -	(\$28,460,717)
3	Net Fixed Assets (average)	(3)	\$25,413,683	\$ -	\$25,413,683
4	Allowance for Working Capital	(1)	\$6,470,648	\$ -	\$6,470,648
5	<b>Total Rate Base</b>		<b>\$31,884,331</b>	<b>\$ -</b>	<b>\$31,884,331</b>

## Allowance for Working Capital - Derivation

(1)					
6	Controllable Expenses		\$6,636,967	\$ -	\$6,636,967
7	Cost of Power		\$43,137,252	\$ -	\$43,137,252
8	Working Capital Base		\$49,774,219	\$ -	\$49,774,219
9	Working Capital Rate %	(2)	13.00%	0.00%	13.00%
10	Working Capital Allowance		\$6,470,648	\$ -	\$6,470,648

### Notes

(2) Some Applicants may have a unique rate as a result of a lead-lag study. Default rate for 2013 cost of service applications is 13%.  
 (3) Average of opening and closing balances for the year.

# Revenue Requirement Workform

## Utility Income

Line No.	Particulars	Initial Application			Per Board Decision
<b>Operating Revenues:</b>					
1	Distribution Revenue (at Proposed Rates)	\$9,158,591		\$ -	\$ -
2	Other Revenue	(1) \$501,089		\$ -	\$ -
3	Total Operating Revenues	\$9,659,680		\$ -	\$ -
<b>Operating Expenses:</b>					
4	OM+M Expenses	\$6,636,967		\$ -	\$6,636,967
5	Depreciation/Amortization	\$1,081,619		\$ -	\$1,081,619
6	Property taxes	\$ -		\$ -	\$ -
7	Capital taxes	\$ -		\$ -	\$ -
8	Other expense	\$ -		\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$7,718,586		\$ -	\$7,718,586
10	Deemed Interest Expense	\$754,766		\$ -	\$ -
11	Total Expenses (lines 9 to 10)	\$8,473,352		\$ -	\$7,718,586
12	Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS	(\$35,324)		\$ -	\$ -
13	Utility income before income taxes	\$1,221,652		\$ -	(\$7,718,586)
14	Income taxes (grossed-up)	\$62,416		\$ -	\$62,416
15	Utility net income	\$1,159,236		\$ -	(\$7,781,002)
<b>Other Revenues / Revenue Offsets</b>					
(1)	Specific Service Charges	\$150,385		\$ -	\$ -
	Late Payment Charges	\$70,849		\$ -	\$ -
	Other Distribution Revenue	\$236,908		\$ -	\$ -
	Other Income and Deductions	\$42,947		\$ -	\$ -
	Total Revenue Offsets	\$501,089		\$ -	\$ -

# Revenue Requirement Workform

## Taxes/PILs

Line No.	Particulars	Application		Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$1,163,140	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$807,525)	\$ -	(\$807,525)
3	Taxable income	<u>\$355,615</u>	<u>\$ -</u>	<u>(\$807,525)</u>
<u>Calculation of Utility Income Taxes</u>				
4	Income taxes	\$50,245	\$50,245	\$50,245
6	Total taxes	<u>\$50,245</u>	<u>\$50,245</u>	<u>\$50,245</u>
7	Gross-up of Income Taxes	<u>\$12,171</u>	<u>\$12,171</u>	<u>\$12,171</u>
8	Grossed-up Income Taxes	<u>\$62,416</u>	<u>\$62,416</u>	<u>\$62,416</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$62,416</u>	<u>\$62,416</u>	<u>\$62,416</u>
10	Other tax Credits	(\$19,100)	(\$19,100)	(\$19,100)
<u>Tax Rates</u>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	4.50%	4.50%	4.50%
13	Total tax rate (%)	<u>19.50%</u>	<u>19.50%</u>	<u>19.50%</u>

## Notes

# Revenue Requirement Workform

## Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$17,855,226	4.08%	\$728,493
2	Short-term Debt	4.00%	\$1,275,373	2.06%	\$26,273
3	<b>Total Debt</b>	60.00%	\$19,130,599	3.95%	\$754,766
	<b>Equity</b>				
4	Common Equity	40.00%	\$12,753,733	9.12%	\$1,163,140
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	40.00%	\$12,753,733	9.12%	\$1,163,140
7	<b>Total</b>	100.00%	\$31,884,331	6.02%	\$1,917,906
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	<b>Total Debt</b>	0.00%	\$ -	0.00%	\$ -
	<b>Equity</b>				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	0.00%	\$ -	0.00%	\$ -
7	<b>Total</b>	0.00%	\$31,884,331	0.00%	\$ -
		Per Board Decision			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
8	Long-term Debt	0.00%	\$ -	4.08%	\$ -
9	Short-term Debt	0.00%	\$ -	2.06%	\$ -
10	<b>Total Debt</b>	0.00%	\$ -	0.00%	\$ -
	<b>Equity</b>				
11	Common Equity	0.00%	\$ -	9.12%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	0.00%	\$ -	0.00%	\$ -
14	<b>Total</b>	0.00%	\$31,884,331	0.00%	\$ -

### Notes

(1) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I

# Revenue Requirement Workform

## Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$191,706		\$7,718,586
2	Distribution Revenue	\$8,970,789	\$8,966,885	\$8,970,789	\$10,630,132
3	Other Operating Revenue	\$501,089	\$501,089	\$ -	\$ -
	Offsets - net				
4	<b>Total Revenue</b>	<b>\$9,471,878</b>	<b>\$9,659,680</b>	<b>\$8,970,789</b>	<b>\$9,158,591</b>
5	Operating Expenses	\$7,718,586	\$7,718,586	\$7,718,586	\$7,718,586
6	Deemed Interest Expense	\$754,766	\$754,766	\$ -	\$ -
7		(\$35,324) (2)	(\$35,324)	\$ - (2)	\$ -
8	<b>Total Cost and Expenses</b>	<b>\$8,438,028</b>	<b>\$8,438,028</b>	<b>\$7,718,586</b>	<b>\$7,718,586</b>
9	<b>Utility Income Before Income Taxes</b>	<b>\$1,033,850</b>	<b>\$1,221,652</b>	<b>\$1,252,203</b>	<b>\$1,440,005</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$807,525)	(\$807,525)	(\$807,525)	(\$807,525)
11	<b>Taxable Income</b>	<b>\$226,325</b>	<b>\$414,127</b>	<b>\$444,678</b>	<b>\$632,480</b>
12	Income Tax Rate	19.50%	19.50%	19.50%	19.50%
13	<b>Income Tax on Taxable Income</b>	<b>\$44,133</b>	<b>\$80,755</b>	<b>\$86,712</b>	<b>\$123,334</b>
14	<b>Income Tax Credits</b>	<b>(\$19,100)</b>	<b>(\$19,100)</b>	<b>(\$19,100)</b>	<b>(\$19,100)</b>
15	<b>Utility Net Income</b>	<b>\$1,008,817</b>	<b>\$1,159,236</b>	<b>\$1,184,591</b>	<b>(\$7,781,002)</b>
16	<b>Utility Rate Base</b>	<b>\$31,884,331</b>	<b>\$31,884,331</b>	<b>\$31,884,331</b>	<b>\$31,884,331</b>
17	Deemed Equity Portion of Rate Base	\$12,753,733	\$12,753,733	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	7.91%	9.09%	0.00%	0.00%
19	Target Return - Equity on Rate Base	9.12%	9.12%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-1.21%	-0.03%	0.00%	0.00%
21	Indicated Rate of Return	5.53%	6.00%	3.72%	0.00%
22	Requested Rate of Return on Rate Base	6.02%	6.02%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-0.48%	-0.01%	3.72%	0.00%
24	Target Return on Equity	\$1,163,140	\$1,163,140	\$ -	\$ -
25	Revenue Deficiency/(Sufficiency)	\$154,324	(\$3,904)	(\$1,184,591)	\$ -
26	<b>Gross Revenue</b>	<b>\$191,706 (1)</b>		<b>(\$1,471,541) (1)</b>	<b>\$7,718,586 (1)</b>

### Notes:

- (1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)  
 (2) Treated as an adjustment pre-tax to avoid an impact on taxes/PILs and hence on revenue sufficiency deficiency

# Revenue Requirement Workform

## Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$6,636,967		\$6,636,967	
2	Amortization/Depreciation	\$1,081,619		\$1,081,619	
3	Property Taxes	\$ -		\$ -	
5	Income Taxes (Grossed up)	\$62,416		\$62,416	
6	Other Expenses	\$ -		\$ -	
7	Return				
	Deemed Interest Expense	\$754,766		\$ -	\$ -
	Return on Deemed Equity	\$1,163,140		\$ -	\$ -
	Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS	(\$35,324)		\$ -	\$ -
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$9,663,584</u>		<u>\$7,781,002</u>	<u>\$7,781,002</u>
9	Revenue Offsets	\$501,089		\$ -	\$ -
10	<b>Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)</b>	<u>\$9,162,495</u>		<u>\$7,781,002</u>	<u>\$7,781,002</u>
11	Distribution revenue	\$9,158,591		\$ -	\$ -
12	Other revenue	\$501,089		\$ -	\$ -
13	<b>Total revenue</b>	<u>\$9,659,680</u>		<u>\$ -</u>	<u>\$ -</u>
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>(\$3,904)</u>	(1)	<u>(\$7,781,002)</u>	(1) <u>(\$7,781,002)</u>

### Notes

(1) Line 11 - Line 8

Exhibit	Tab	Schedule	Appendix	Contents
7 – Cost Allocation	1	1		Cost Allocation Overview
	1	2		Summary of Results and Proposed Changes
			A	2013 Updated Cost Allocation Study

**COST ALLOCATION OVERVIEW:**

**Introduction:**

On September 29, 2006, the OEB issued its directions on Cost Allocation Methodology for Electricity Distributors (the "Directions"). On November 15, 2006, the Board issued the Cost Allocation Information Filing Guidelines for Electricity Distributors ("the Guidelines"), the Cost Allocation Model (the "Model") and User Instructions (the "Instructions") for the Model. Welland Hydro prepared a cost allocation information filing consistent with Welland Hydro's understanding of the Directions, the Guidelines, the Model and the Instructions. Welland Hydro submitted this filing to the OEB on February 27, 2007.

One of the main objectives of the filing was to provide information on any apparent cross-subsidization among a distributor's rate classifications. It was felt that this would give an indication of cross-subsidization from one class to another and this information would be useful as a tool in future rate applications.

In Welland Hydro's 2009 Cost of Service Application (EB-2008-0247), the results of the original cost allocation study filed on February 27, 2007 were updated in two ways, incorporating an increase in PILs cost, and adjusting for the loss of two customers from its Large Use class. The result of this updated study was used as a basis for Welland Hydro to propose reallocations of distribution costs across customer classes to address the issue of cross-subsidization. The reallocations were based on the objective of moving the revenue to cost ratios over a two year period to be within the Board's acceptable range as outlined in the "Report on Application of Cost Allocation for Electricity Distributors" (the Cost Allocation Report) issued by the OEB on November 28, 2007.

On September 2, 2010, the Board began a proceeding, EB-2010-0219, with the mandate to review and revise the existing Cost Allocation policy as needed. On March 31, 2011, the Report of the Board was released in relation to EB-2010-0219. In the letter accompanying the report, the Board indicated that a Working Group would be formed to revise the original Cost Allocation Model to address the revision highlighted in the March 31<sup>st</sup> Board Report. On August 5, 2011, the Board released the new Cost Allocation model and instructed 2012 Cost of Service filers to use the revised model in their applications. On June 28, 2012, the Board released a revised

Cost Allocation model to be used by 2013 Cost of Service filers in their applications. The revised version was essentially the same as the previous version but was updated to address the impact on revenue requirement from the adjustment resulting from the amortization of Account 1575 (IFRS-CGAAP Transitional PP&E Amounts).

In the March 31<sup>st</sup> Board Report, the Board stated that “default weighting factors should now be utilized only in exceptional circumstances”. Distributors are therefore now expected to develop their own weighting factors.

For the purposes of this Application, Welland Hydro has submitted a revised cost allocation study using the June 28, 2012 version of the Cost Allocation model. Welland Hydro’s 2013 cost allocation study reflects 2013 test year costs, customer numbers and demand values. The 2013 demand values are based on the weather normalized load forecast used to design rates. Welland Hydro has developed weighting factors as outlined below based on discussions with staff experienced in the subject area. No factors are defined for the Large User class since all costs to the Large User class are directly assigned as discussed below.

#### **Services (Account 1855)**

<b>Table: 7-1: Services Weighting Factor</b>	
<b>Rate Class</b>	<b>Factor</b>
Residential	1
General Service < 50 kW	1
General Service > 50 kW	0
Streetlights	0
Sentinel Lights	0
Unmetered Scattered Load	0

For Welland Hydro, the Residential and General Service < 50 kW classes are the only two classes that have services assets in account 1855.

#### **Billing and Collection (Accounts 5305 – 5340, except 5310 and 5335)**

<b>Table: 7-2: Billing Weighting Factor</b>	
<b>Rate Class</b>	<b>Factor</b>
Residential	1
General Service < 50 kW	1

General Service > 50 kW	5
Streetlights	10
Sentinel Lights	1
Unmetered Scattered Load	1

1

2 **Meter Capital (Sheet I7.1) – Not applicable for Welland Hydro since account meter capital**  
3 **is directly allocated as discussed below.**

4 **Meter Reading (Sheet I7.2)**

<b>Table 7-3: Meter Reading Weighting Factor</b>	
Meter Type	Factor
Smart Meter	1
Smart Meter with Demand	2

5

## SUMMARY OF RESULTS AND PROPOSED CHANGES:

The data used in the updated cost allocation study is consistent with Welland Hydro's cost data that supports the proposed 2013 revenue requirement outlined in this application. Consistent with the Guidelines, Welland Hydro's assets were broken out into primary and secondary distribution functions using breakout percentages consistent with the original cost allocation informational filing. The breakout of assets, capital contributions, depreciation, accumulated depreciation, customer data and load data by primary, line transformer and secondary categories were developed from the best data available to Welland Hydro, its engineering records, and its customer and financial information systems. The cost allocation study has been included in Appendix A.

Capital contributions, depreciation and accumulated depreciation by USoA is consistent with the information provided in the 2013 continuity statement shown in Exhibit 2. The rate class customer data used in the updated cost allocation study is consistent with the 2013 customer forecast outlined in Exhibit 3. The load profiles for all other rate classes are the same as those used in the original information filing but have been scaled to match the load forecast. The following outlines the scaling factors used by rate class.

<b>Table 7-4: Load Profile Scaling Percentages</b>			
<b>Rate Class</b>	<b>2004 Weather Normal Values used in Original Filing (kWh)</b>	<b>2013 Weather Normal Values (KWh)</b>	<b>Scaling Factor</b>
<b>Residential</b>	167,248,797	160,995,683	96.3%
<b>General Service &lt; 50 kW</b>	52,453,242	54,236,152	103.4%
<b>General Service &gt; 50 kW</b>	153,816,809	140,269,569	91.2%
<b>Large User</b>	125,053,342	59,134,727	47.3%
<b>Streetlights</b>	4,909,294	1,264,642	25.8%
<b>Sentinel Lights</b>	1,038,737	826,332	79.6%
<b>Unmetered Scattered Load</b>	1,242,958	1,103,690	88.8%
<b>Total</b>	505,763,179	417,830,794	82.6%

Welland Hydro has used the direct allocation option within the cost allocation model to directly allocate capital and operating costs associated with smart meters and the one customer in the Large User class

Table 7-5 outlines the capital and operating smart meter costs that have been directly allocated to the listed rate classes. These 2013 costs are consistent with the smart meter costs recently approved in Welland Hydro's smart meter rate application and have been directly allocated to each rate class in a manner similar to the smart meter rate application.

<b>Table 7-5: Direct Allocation - Smart Meters</b>				
	<b>Residential</b>	<b>General Service &lt; 50 kW</b>	<b>General Service &gt; 50 kW</b>	<b>Total</b>
<b>Account 1860 - Meters</b>	\$2,350,336	\$442,048	\$224,145	\$3,016,529
<b>Account 1955 -Communication Equipment</b>	\$189,232	\$16,521		\$205,753
<b>Account 2105 - Accumulated Depreciation</b>	(\$667,109)	(\$80,451)	(\$96,878)	(\$844,438)
<b>Capital Related Items</b>	\$1,872,459	\$378,118	\$127,268	\$2,377,845
<b>Account 5175 - Meter Maintenance</b>	\$78,653	\$6,840		\$85,493
<b>Account 5310 - Meter Reading</b>	\$3,289	\$3,289	\$19,264	\$25,842
<b>Account 5315 - Customer Billing</b>	\$249,938	\$21,734	\$58,117	\$329,789
<b>Account 5515 - Advertising Expense</b>	\$5,520	\$480		\$6,000
<b>Account 5705 - Depreciation</b>	\$171,214	\$30,738	\$8,475	\$210,427
<b>Expenses Incl Depreciation</b>	\$508,614	\$63,081	\$85,856	\$657,551

In the case of the one customer in the Large User class, the distribution assets associated with this customer consist of a distribution line that is fed directly from a Hydro One owned TS to the Large User. These are the only distribution assets used by this customer. In addition, based on experience Welland Hydro has been able to estimate the 2013 OM&A costs forecasted to be incurred by Welland Hydro to support the customer. As a result, Welland Hydro submits the costs outlined in Table 7-6 are the only 2013 costs to be assigned to the Large User class. In order to ensure no other costs are allocated to this class the number of customers and the level of demand for the Large User class has been set to zero in the cost allocation model.

<b>Table 7-6: Direct Allocation - Large User</b>	
<b>Account 1830 - Poles, Towers and Fixtures</b>	\$30,442
<b>Account 1835 - Overhead Conductors and Devices</b>	\$12,400
<b>Account 2105 - Accumulated Depreciation</b>	(\$5,692)
<b>Capital Related Items</b>	\$37,151
<b>Account 5085 - Miscellaneous Distribution Expense</b>	\$21,075
<b>Account 5135 - Overhead Distribution Lines and Feeders - Right of Way</b>	\$540
<b>Account 5310 - Meter Reading</b>	\$987
<b>Account 5315 - Customer Billing</b>	\$45,866
<b>Account 5415 - Energy Conservation</b>	\$3,860
<b>Account 5610 - Management Salaries and Expenses</b>	\$2,672
<b>Account 5705 - Depreciation</b>	\$567
<b>Expenses Incl Depreciation</b>	\$75,567

- 1
- 2 The allocated cost by rate class for the cost allocation study updated in the 2009 Cost of
- 3 Service Application and the 2013 updated study are provided in the following Table 7-7.

**Table 7-7: Allocated Cost - (Consistent with Appendix 2-P: Allocated Costs)**

<b>Rate Class</b>	<b>Updated Cost Allocation Informational Filing provided in the 2009 Rate Application</b>	<b>%</b>	<b>Cost Allocated in the 2013 Study</b>	<b>%</b>
<b>Residential</b>	\$4,427,397	58.4%	\$6,182,026	64.0%
<b>General Service &lt; 50 kW</b>	\$1,115,311	14.7%	\$1,172,775	12.1%
<b>General Service &gt; 50 kW</b>	\$1,344,754	17.7%	\$1,958,292	20.3%
<b>Large User</b>	\$182,588	2.4%	\$77,185	0.8%
<b>Streetlights</b>	\$429,341	5.7%	\$189,578	2.0%
<b>Sentinel Lights</b>	\$48,748	0.6%	\$40,319	0.4%
<b>Unmetered Scattered Load</b>	\$39,452	0.5%	\$39,504	0.4%
<b>Total</b>	\$7,587,591	100.0%	\$9,659,680	100.0%

The results of a cost allocation study are typically presented in the form of revenue to cost ratios. The ratio is shown by rate classification and is the percentage of distribution revenue collected by rate classification compared to the costs allocated to the classification. The percentage identifies the rate classifications that are being subsidized and those that are over-contributing. A percentage of less than 100% means the rate classification is under-contributing and is being subsidized by other classes of customers. A percentage of greater than 100% indicates the rate classification is over-contributing and is subsidizing other classes of customers.

In the Report of the Board on Cost Allocation released in relation to EB-2010-0219, dated March 31, 2011, the OEB established what it considered to be the appropriate ranges of revenue to cost ratios which are summarized in Table 7-8 below. In addition Table 7-8 provides Welland Hydro's revenue to cost ratios from the 2010 IRM application, the updated 2013 cost allocation study and the proposed 2013 to 2015 ratios. Information from the 2010 IRM application has been included as this was the last year of a two year program to move the revenue to cost ratios to the Board's acceptable ranges at the time the 2009 cost of service application was approved.

Table 7-8: Revenue to Cost Ratios - (Consistent with Appendix 2-P: Revenue to Cost Ratios)

Class	2010 IRM Application	2013 Updated Cost Allocation Study	2013 Proposed Ratios	2014 Proposed Ratios	2015 Proposed Ratios	Board Targets Min to Max	
Residential	115.2%	109.8%	107.0%	107.0%	107.0%	85.0%	115.0%
General Service < 50 kW	80.1%	95.1%	95.1%	95.1%	95.1%	80.0%	120.0%
General Service > 50 kW	80.0%	62.4%	80.0%	80.0%	80.0%	80.0%	120.0%
Large User	100.7%	241.7%	107.0%	107.0%	107.0%	85.0%	115.0%
Streetlights	70.0%	138.4%	107.0%	107.0%	107.0%	70.0%	120.0%
Sentinel Lights	70.0%	90.4%	90.4%	90.4%	90.4%	80.0%	120.0%
Unmetered Scattered Load	101.4%	125.3%	107.0%	107.0%	107.0%	80.0%	120.0%

Welland Hydro is proposing in this application to re-align its revenue to cost ratios by adjusting the allocations of revenue among rate classes in order to move the revenue to cost ratios to be within the Board's current acceptable ranges for all rate classes.

The following table 7-9 provides information on calculated class revenue. The resulting 2013 proposed base revenue will be the amount used in Exhibit 8 to design the proposed distribution charges in this application

Table 7-9: Calculated Class Revenue - (Consistent with Appendix 2-P: Calculated Class Revenue) Included on Page 6 and 7 of this Schedule

Class	2013 Base Revenue at Existing Rates	2013 Proposed Base Revenue Allocated at Existing Rates Proportion	2013 Proposed Base Revenue	Miscellaneous Revenue
Residential	\$6,327,834	\$6,460,306	\$6,286,087	\$327,183
General Service < 50 kW	\$1,034,568	\$1,056,227	\$1,056,227	\$59,463
General Service > 50 kW	\$1,106,615	\$1,129,781	\$1,474,696	\$91,937
Large User	\$182,729	\$186,554	\$82,570	\$0
Streetlights	\$240,863	\$245,906	\$186,418	\$16,385
Sentinel Lights	\$31,799	\$32,465	\$32,464	\$3,990
Unmetered Scattered Load	\$46,381	\$47,352	\$40,130	\$2,130
<b>Total</b>	<b>\$8,970,789</b>	<b>\$9,158,591</b>	<b>\$9,158,591</b>	<b>\$501,089</b>

Page 6 and 7 of this schedule contain Appendix 2-P Cost Allocation which was provided in the Filing Requirements Chapter 2 Appendices Module.

## Appendix 2-P Cost Allocation

### A) Allocated Costs

Classes	Costs Allocated from Previous Study	%	Costs Allocated in Test Year Study (Column 7A)	%
Residential	\$ 4,427,397	58.35%	\$ 6,182,026	64.00%
GS < 50 kW	\$ 1,115,311	14.70%	\$ 1,172,775	12.14%
GS > 50 to 4999 kW	\$ 1,344,754	17.72%	\$ 1,958,292	20.27%
Large User, if applicable	\$ 182,588	2.41%	\$ 77,185	0.80%
Street Lighting	\$ 429,341	5.66%	\$ 189,578	1.96%
Sentinel Lighting	\$ 48,748	0.64%	\$ 40,319	0.42%
Unmetered Scattered Load (USL)	\$ 39,452	0.52%	\$ 39,504	0.41%
Other class, if applicable		0.00%		0.00%
		0.00%		0.00%
Embedded distributor class		0.00%		0.00%
<b>Total</b>	<b>\$ 7,587,591</b>	<b>100.00%</b>	<b>\$ 9,659,679</b>	<b>100.00%</b>

### B) Calculated Class Revenues

Classes (same as previous table)	Column 7B	Column 7C	Column 7D	Column 7E
	Load Forecast (LF) X current	L.F. X current approved rates X	LF X proposed rates	Miscellaneous Revenue
Residential	\$ 6,327,834	\$ 6,460,306	\$ 6,286,087	\$ 327,183
GS < 50 kW	\$ 1,034,568	\$ 1,056,227	\$ 1,056,227	\$ 59,463
GS > 50 to 4999 kW	\$ 1,106,615	\$ 1,129,781	\$ 1,474,696	\$ 91,937
Large User, if applicable	\$ 182,729	\$ 186,554	\$ 82,570	\$ -
Street Lighting	\$ 240,863	\$ 245,906	\$ 186,418	\$ 16,385
Sentinel Lighting	\$ 31,799	\$ 32,465	\$ 32,464	\$ 3,990
Unmetered Scattered Load (USL)	\$ 46,381	\$ 47,252	\$ 40,130	\$ 2,130
Other class, if applicable				
Embedded distributor class				
<b>Total</b>	<b>\$ 8,970,789</b>	<b>\$ 9,158,491</b>	<b>\$ 9,158,592</b>	<b>\$ 501,088</b>

### C) Rebalancing Revenue-to-Cost (R/C) Ratios

Class	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Recent Year: 2010	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	%	%	%	%
Residential	115.19	109.79	106.98	85 - 115
GS < 50 kW	80.05	95.13	95.13	80 - 120
GS > 50 to 4999 kW	80.00	62.39	80.00	80 - 120
Large User, if applicable	100.74	241.70	106.98	85 - 115
Street Lighting	70.00	138.36	106.98	70 - 120
Sentinel Lighting	70.00	90.42	90.41	80 - 120
Unmetered Scattered Load (USL)	101.44	125.01	106.98	80 - 120
Other class, if applicable				
Embedded distributor class				

**D) Proposed Revenue-to-Cost Ratios**

Class	Proposed Revenue-to-Cost Ratios			Policy Range
	2013	2014	2015	
	%	%	%	
Residential	106.98	106.87	106.87	85 - 115
GS < 50 kW	95.13	95.13	95.13	80 - 120
GS > 50 to 4999 kW	80.00	80	80	80 - 120
Large User, if applicable	106.98	106.87	106.87	85 - 115
Street Lighting	106.98	106.87	106.87	70 - 120
Sentinel Lighting	90.41	106.87	106.87	80 - 120
Unmetered Scattered Load (USL)	106.98	106.87	106.87	80 - 120
Other class, if applicable				0
				0
Embedded distributor class				

**Appendix A**

**2013 Updated Cost Allocation Study**

**Copies of Input Sheets I-6 and I-8, and Output Sheets O-1 and O-2.**

**An electronic copy of the 2013 Cost Allocation Model**

**has been filed with this Application**





# 2013 Cost Allocation Model

**Sheet I6.2 Customer Data Worksheet - Initial Application**

ID	Total	1 Residential	2 GS <50	3 GS >50 to 4999 kW	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
<b>Billing Data</b>								
Bad Debt 3 Year Historical Average	\$83,345	\$36,383	\$8,897	\$38,065	\$0	\$0	\$0	\$0
Late Payment 3 Year Historical Average	\$69,744	\$51,328	\$9,720	\$7,955			\$740	
Number of Bills	160,062	134,393.08	20,352	2,028		12	577	2,700
Number of Devices						6,750	574	225
Number of Connections (Unmetered)	3,855					3,056	574	225
Total Number of Customers	22,297	20,432	1,696	169				
Bulk Customer Base								
Primary Customer Base	22,297	20,432	1,696	169				
Line Transformer Customer Base	22,258	20,432	1,685	141				
Secondary Customer Base	22,286	20,432	1,694	160				
Weighted - Services	22,126	20,432	1,694	-		-	-	-
Weighted Meter -Capital	22,297	20,432	1,696	169		-	-	-
Weighted Meter Reading	22,466	20,432	1,696	338		-	-	-
Weighted Bills	168,282	134,393	20,352	10,140	-	120	577	2,700

## Bad Debt Data

Historic Year:	2009	66,509	29,034	7,099	30,376			
Historic Year:	2010	87,088	38,017	9,296	39,775			
Historic Year:	2011	96,439	42,099	10,294	44,045			
Three-year average		<b>83,345</b>	<b>36,383</b>	<b>8,897</b>	<b>38,065</b>	-	-	-



# 2013 Cost Allocation Model

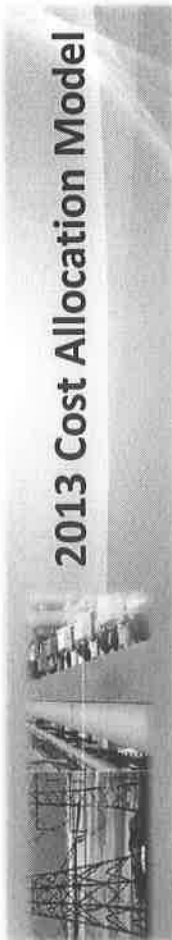
## Sheet 18 Demand Data Worksheet - Initial Application

This is an input sheet for demand allocators.

CP TEST RESULTS	12 CP
NCP TEST RESULTS	4 NCP
Co-Incident Peak	
1 CP	Indicator
4 CP	CP 1
12 CP	CP 4
Non-co-Incident Peak	
1 NCP	Indicator
4 NCP	NCP 1
12 NCP	NCP 4

	1	2	3	6	7	8	9
Total	Residential	GS <50	GS >50 to 4999 kW	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load

CO-INCIDENT PEAK							
1 CP							
Transformation CP	66,093						115
Bulk Delivery CP	66,093	8,253	20,688				115
Total System CP	66,093	8,253	20,688				115
4 CP							
Transformation CP	268,930	34,876	86,137	293	200	200	485
Bulk Delivery CP	268,930	34,876	86,137	293	200	200	485
Total System CP	268,930	34,876	86,137	293	200	200	485
12 CP							
Transformation CP	725,505	99,795	257,783		2,639	1,715	1,566
Bulk Delivery CP	725,505	99,795	257,783		2,639	1,715	1,566
Total System CP	725,505	99,795	257,783		2,639	1,715	1,566
NON CO-INCIDENT PEAK							
1 NCP							
Classification NCP from Load Data Provider	78,620	11,548	26,052		294	200	151
Primary NCP	78,620	11,548	26,052		294	200	151
Line Transformer NCP	62,175	10,172	10,983		294	200	151
Secondary NCP	77,219	11,534	24,665		294	200	151
4 NCP							
Classification NCP from Load Data Provider	297,847	43,291	103,150		1,175	797	577
Primary NCP	297,847	43,291	103,150		1,175	797	577
Line Transformer NCP	232,065	37,767	42,872		1,175	797	577
Secondary NCP	292,303	43,240	97,657		1,175	797	577
12 NCP							
Classification NCP from Load Data Provider	792,138	114,008	291,207		3,519	2,301	1,651
Primary NCP	792,138	114,008	291,207		3,519	2,301	1,651
Line Transformer NCP	594,791	97,485	110,373		3,519	2,301	1,651
Secondary NCP	776,496	113,673	275,699		3,519	2,301	1,651



# 2013 Cost Allocation Model

Sheet 01 Revenue to Cost Summary Worksheet - Initial Application

Instructions:  
Please see the first tab in this workbook for detailed instructions

## Class Revenue, Cost Analysis, and Return on Rate Base

	1	2	3	6	7	8	9
Total	Residential	GS <50	GS >50 to 4999 kW	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
Distribution Revenue at Existing Rates	\$8,970,768	\$6,327,834	\$1,106,615	\$182,729	\$240,863	\$31,788	\$46,381
Miscellaneous Revenue (m)	\$501,089	\$327,183	\$91,937	\$0	\$16,385	\$3,990	\$2,130
Miscellaneous Revenue Input equals Output	\$3,471,878	\$4,655,018	\$1,198,552	\$182,729	\$257,248	\$35,789	\$48,511
Total Revenue at Existing Rates	\$12,942,647	\$11,310,035	\$2,305,102	\$365,458	\$504,111	\$71,567	\$97,022
Factor required to recover deficiency (1 + D)							
Distribution Revenue at Status Quo Rates	\$9,158,591	\$6,450,307	\$1,056,227	\$186,554	\$245,906	\$32,464	\$47,352
Miscellaneous Revenue (m)	\$501,089	\$327,183	\$91,937	\$0	\$16,385	\$3,990	\$2,130
Total Revenue at Status Quo Rates	\$9,659,680	\$6,777,490	\$1,148,164	\$186,554	\$262,291	\$36,454	\$49,482
Expenses							
Distribution Costs (d)	\$2,841,767	\$1,700,640	\$693,198	\$0	\$70,730	\$13,397	\$6,825
Customer Related Costs (cu)	\$1,358,682	\$1,068,758	\$103,460	\$0	\$787	\$3,165	\$14,700
General and Administration (ad)	\$1,936,384	\$2,233,060	\$369,507	\$0	\$33,211	\$7,685	\$9,665
Depreciation and Amortization (dep)	\$870,624	\$493,209	\$115,452	\$0	\$26,931	\$5,097	\$2,562
PLTs (INPUT)	\$65,396	\$1,572	\$14,263	\$0	\$1,748	\$331	\$165
Interest	\$714,953	\$407,249	\$84,160	\$0	\$22,544	\$4,272	\$2,126
Total Expenses	\$7,755,458	\$4,984,383	\$1,592,171	\$0	\$155,951	\$35,947	\$35,533
Direct Allocation	\$838,314	\$590,178	\$91,400	\$77,185	\$0	\$0	\$0
Allocated Net Income (NI)	\$1,065,907	\$607,465	\$274,820	\$0	\$33,627	\$6,372	\$3,171
Revenue Requirement (includes NI)	\$9,659,680	\$6,182,026	\$1,956,292	\$77,185	\$189,578	\$40,319	\$39,504
Revenue Requirement Input equals Output							
Rate Base Calculation							
Net Assets							
Distribution Plant - Gross	\$45,372,703	\$25,496,144	\$12,013,976	\$0	\$1,440,821	\$271,958	\$135,266
General Plant - Gross	\$7,370,173	\$4,189,630	\$1,909,479	\$0	\$234,601	\$44,422	\$22,044
Accumulated Depreciation	(\$27,610,588)	(\$15,406,435)	(\$7,405,255)	\$0	(\$973,880)	(\$164,633)	(\$82,052)
Capital Contribution	(\$2,133,600)	(\$1,176,633)	(\$584,858)	\$0	(\$75,154)	(\$14,116)	(\$6,791)
Total Net Plant	\$22,998,688	\$11,182,306	\$5,533,342	\$0	\$726,389	\$137,631	\$58,468
Directly Allocated Net Fixed Assets							
Cost of Power (COP)	\$2,414,995	\$1,872,459	\$127,268	\$37,181	\$0	\$0	\$0
OM&A Expenses	\$43,137,252	\$16,621,349	\$14,481,565	\$6,105,126	\$130,563	\$85,311	\$113,946
Directly Allocated Expenses	\$5,114,843	\$4,052,953	\$1,166,165	\$75,000	\$104,728	\$24,248	\$31,490
Subtotal	\$49,774,219	\$31,071,102	\$15,725,111	\$5,180,126	\$235,791	\$109,559	\$145,436
Working Capital	\$6,470,648	\$2,731,443	\$2,044,264	\$803,416	\$30,588	\$14,243	\$18,907
Total Rate Base	\$31,884,331	\$17,706,808	\$8,104,874	\$540,567	\$766,977	\$151,874	\$87,373
Rate Base Input equals Output							
Equity Component of Rate Base	\$12,753,732	\$7,082,723	\$3,241,949	\$336,227	\$302,791	\$60,749	\$34,949
Net Income on Allocated Assets	\$1,065,907	\$1,212,929	(\$461,753)	\$109,369	\$106,340	\$2,607	\$13,149
Net Income on Direct Allocation Assets	\$61,909	\$48,001	\$3,263	\$952	\$0	\$0	\$0
Net Income	\$1,127,816	\$1,260,930	(\$458,490)	\$110,321	\$106,340	\$2,607	\$13,149
RATIOS ANALYSIS							
REVENUE TO EXPENSES STATUS QUO%	100.00%	105.79%	62.39%	241.70%	138.35%	90.41%	125.26%
EXISTING REVENUE MINUS ALLOCATED COSTS	(\$187,802)	\$472,992	(\$75,744)	\$105,544	\$67,570	(\$4,531)	\$9,007
Deficiency Input equals Output							

# 2013 Cost Allocation Model

## Sheet 01 Revenue to Cost Summary Worksheet - Initial Application

Instructions:  
Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

	1	2	3	6	7	8	9
Total	Residential	GS <50	GS >50 to 4999 KW	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
\$0	\$605,464	(\$57,086)	(\$736,573)	\$105,369	\$72,712	(\$3,865)	\$9,578
8.84%	17.80%	5.49%	-14.14%	32.81%	35.12%	4.13%	37.62%

Rate Base  
Assets

STATUS QUO REVENUE MINUS ALLOCATED COSTS  
RETURN ON EQUITY COMPONENT OF RATE BASE

# 2013 Cost Allocation Model

## Sheet 02 Monthly Fixed Charge Min. & Max. Worksheet - Initial Application

Output sheet showing minimum and maximum level for  
Monthly Fixed Charge

### Summary

Customer Unit Cost per month - Avoided Cost

Customer Unit Cost per month - Directly Related

Customer Unit Cost per month - Minimum System  
with PLCC Adjustment

Existing Approved Fixed Charge

1	2	3	6	7	8	9
Residential	GS <50	GS >50 to 4999 kW	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
\$3.81	\$5.84	\$21.51	0	\$0.01	\$0.32	\$5.22
\$5.70	\$8.84	\$34.27	0	\$0.02	\$0.53	\$7.66
\$11.76	\$14.92	\$53.26	0	\$5.14	\$5.67	\$11.04
\$16.55	\$28.75	\$339.49	\$12,986.14	\$2.51	\$2.64	\$13.54

<b>Exhibit</b>	<b>Tab</b>	<b>Schedule</b>	<b>Appendix</b>	<b>Contents</b>
<b>8 – Rate Design</b>				
	1	1		Rate Design Overview
		2		Allocation of Base Revenue Requirement
		3		Fixed/Variable Proportion
		4		Retail Transmission Service Rates
		5		Loss Adjustment Factors
		6		Specific Service Charges
		7		Existing Rate Classes
		8		Existing Rate Schedule
		9		Proposed Rate Schedule
	10			Change from Monthly to 30 Day Fixed Charges
		11		Bill Impacts and Rate Mitigation
				Appendices
			A	Revenue Reconciliation
			B	2013 RTSR Workform
			C	2010 Annual Distribution Charge By Class By LDC

## RATE DESIGN OVERVIEW:

This Exhibit provides the calculation and rationale for Welland Hydro's proposed distribution rates, by rate class for the 2013 Test Year, based on the rate design as proposed in this Exhibit.

The Applicant's total 2013 service revenue requirement has been calculated to be \$9,659,680. The total revenue offsets of \$501,089 will reduce Welland Hydro's total service revenue requirement to a net base revenue requirement of \$9,158,591. The base revenue requirement is used to determine the proposed distribution rates by rate class and is derived from Welland Hydro's 2013 capital and operating forecasts, weather normalized electricity consumption, forecasted customer counts, and regulated return on rate base. The revenue requirements are summarized below in Table 8-1:

Table 8-1

### Service Revenue Requirement

OM&A Expenses	6,636,967
PPE Return on Rate Base	-35,324
Amortization Expenses	1,081,618
<b>Total Distribution Expenses</b>	<b>7,683,261</b>
Regulated Return On Capital	1,917,906
PILs	58,513
<b>Service Revenue Requirement</b>	<b>9,659,680</b>
Less Revenue Offsets	-501,089
<b>Base Revenue Requirement</b>	<b>9,158,591</b>

## ALLOCATION OF BASE REVENUE REQUIREMENT

The base revenue requirement is allocated to the various rate classes using the proposed revenue to cost ratios as outlined in Exhibit 7 – Cost Allocation and is summarized in Table 8-2 below.

Table 8-2 - Allocation of Base Revenue Requirement

Class	Revenue Requirement - 2013 Cost Allocation Model - Line 40 from O1 in CA	Proposed Revenue to Cost Ratio	2013 Proposed Service Revenue Requirement	2013 Proposed Miscellaneous Revenue per Cost Allocation Model	2013 Proposed Base Revenue Requirement
Residential	6,182,026	107.0%	6,613,270	327,183	6,286,087
GS < 50 kW	1,172,775	95.1%	1,115,689	59,463	1,056,227
GS >50 to 4999 kW	1,958,292	80.0%	1,566,633	91,937	1,474,696
Large Use	77,185	107.0%	82,570	0	82,570
Sentinel Lights	40,319	90.4%	36,454	3,990	32,464
Street Lighting	189,578	107.0%	202,803	16,385	186,418
Unmetered and Scattered	39,504	107.0%	42,260	2,130	40,130
<b>TOTAL</b>	<b>9,659,680</b>		<b>9,659,680</b>	<b>501,089</b>	<b>9,158,591</b>

Table 8-3 below summarizes the movement of revenue at 2012 rates for the base revenue requirement to the proposed based revenue requirement.

Table 8-3  
 Existing and Proposed Rate Base Revenue

Class	2013 Base Revenue at Existing Rates	2013 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	2013 Proposed Base Revenue Requirement
Residential	6,327,834	6,460,306	6,286,087
GS < 50 kW	1,034,568	1,056,227	1,056,227
GS >50 to 4999 kW	1,106,615	1,129,781	1,474,696
Large Use	182,729	186,554	82,570
Sentinel Lights	31,799	32,465	32,464
Street Lighting	240,863	245,906	186,418
Unmetered and Scattered	46,381	47,352	40,130
<b>TOTAL</b>	<b>8,970,789</b>	<b>9,158,591</b>	<b>9,158,591</b>

## **FIXED/VARIABLE PROPORTION**

The purpose of this section is to describe the determination of the fixed and variable proportion by rate class, and the calculation of the proposed fixed and variable distribution rates for the 2013 Test year.

### **Proposed Fixed Charges**

Consistent with the Board Decision on 2011 cost of service rate applications for Hydro One Brampton, Kenora Hydro and Horizon Utilities as well as Atikokan Hydro's 2012 Decision, this Application proposes to maintain the current fixed/variable proportions for all rate classes as shown in Table 8-4 below.

Table 8-4

Summary of Current & Proposed Fixed/Variable Split

Customer Class	Current Volumetric Split	Current Fixed Charge Split	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2012 Rates From OEB Approved Tariff	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)
Residential	35.87%	64.13%	100.00%	16.44	16.55	11.76
GS < 50 kW	43.44%	56.56%	100.00%	29.35	28.75	14.92
GS >50 to 4999 kW	37.78%	62.22%	100.00%	452.41	339.49	53.26
Large Use	14.72%	85.28%	100.00%	5,868.04	12,986.14	0
Sentinel Lights	42.82%	57.18%	100.00%	2.70	2.64	5.67
Street Lighting	15.59%	84.41%	100.00%	1.94	2.51	5.14
Unmetered and Scattered	21.18%	78.82%	100.00%	11.72	13.54	11.04
<b>TOTAL</b>	<b>38.14%</b>	<b>61.86%</b>	<b>100.00%</b>			

The following Table 8-5 provides a summary of the proposed fixed rate and resulting fixed revenue proportion based on forecasted customers and connections for the 2013 Test year.

Table 8-5

Proposed Fixed Distribution Charges

Class	2013 Proposed Base Revenue Requirement	Current Fixed Charge Split	Total Fixed Revenue	Annualized Customers/ Connections	Proposed Fixed Distribution Charge
Residential	6,286,087	64.13%	4,031,024	245,184	16.44
GS < 50 kW	1,056,227	56.56%	597,369	20,352	29.35
GS >50 to 4999 kW	1,474,696	62.22%	917,489	2,028	452.41
Large Use	82,570	85.28%	70,417	12	5868.04
Sentinel Lights	32,464	57.18%	18,564	6,888	2.70
Street Lighting	186,418	84.41%	157,353	81,000	1.94
Unmetered and Scattered	40,130	78.82%	31,631	2,700	11.72
<b>TOTAL</b>	<b>9,158,591</b>		<b>5,823,848</b>		

Proposed Volumetric Charges

The variable distribution charge is determined based on the allocated variable base revenue requirement plus the forecast transformer ownership allowance for eligible customer classes. The variable distribution portion of the base revenue requirement plus the transformer allowance amount is divided by the 2013 Test year charge determinant as applicable for each rate class. (kWh or kW). Table 8-6 below provides the 2013 proposed variable distribution rates.

Table 8-6

2013 Proposed Volumetric Charges

Class	2013 Proposed Base Revenue Requirement	Current Variable Charge Split	Total Variable Revenue	Transformer Allowance	Billing Determinants	Proposed Fixed Distribution Charge
Residential	6,286,087	35.87%	2,255,063		160,995,683	0.0140
GS < 50 kW	1,056,227	43.44%	458,857	11,559	54,236,152	0.0087
GS > 50 to 4999 kW	1,474,696	37.78%	557,207	126,584	389,693	1.7547
Large Use	82,570	14.72%	12,153	117,370	167,672	0.7725
Sentinel Lights	32,464	42.82%	13,900		2,297	6.0512
Street Lighting	186,418	15.59%	29,065		3,552	8.1826
Unmetered and Scattered	40,130	21.18%	8,499		1,103,690	0.0077
<b>TOTAL</b>	<b>9,158,691</b>		<b>3,334,743</b>	<b>255,513</b>		

Revenue Reconciliation

The Board has provided Appendix 2-V in the Filing Requirements Chapter 2 Appendices module for Revenue Reconciliation. This form has been provided in Appendix A to this Exhibit.

## RETAIL TRANSMISSION SERVICE RATES (RTSR):

Electricity distributors are charged the Ontario Uniform Transmission Rates (UTRs) at the wholesale level and subsequently pass these charges on to their distribution customers through Retail Transmission Service Rates (RTSRs). For each distribution rate class there are two RTSRs, one for network and one for connection. The RTSR network charge recovers the UTR wholesale network service charge, and the RTSR connection charge recovers the UTR wholesale line and transformation connection charges. Deferral accounts capture timing and rate differences between the UTR's paid at the wholesale level and RTSR's billed to distribution customers.

Welland Hydro has completed the 2013 RTSR Workform provided by the Board and has included it in Appendix B to this Exhibit.

Table 8.7 details the proposed RTSR Network and RTSR Connection charges by rate class.

**Table 8.7 Proposed RTSR Network and RTSR Connection Charges**

Rate Class	Unit	Proposed RTSR Network		Proposed RTSR Connection	
Residential	kWh	\$	0.0081	\$	0.0056
General Service Less Than 50 kW	kWh	\$	0.0072	\$	0.0049
General Service 50 to 4,999 kW	kW	\$	2.4714	\$	1.6808
General Service 50 to 4,999 kW – Interval Metered	kW	\$	2.4514	\$	2.0134
Large Use	kW	\$	1.7962	\$	2.2357
Unmetered Scattered Load	kWh	\$	0.0072	\$	0.0049
Sentinel Lighting	kW	\$	2.3017	\$	1.5655
Street Lighting	kW	\$	2.2967	\$	1.5621

**LOSS ADJUSTMENT FACTORS:**

**Total Loss Factor**

Welland Hydro is not an embedded distributor, nor has Welland Hydro been required to complete any loss studies as a result of previous decisions.

Welland Hydro has calculated the total loss factor to be applied to customer's consumption based on the average wholesale and retail kWh for the five historical years 2007 to 2011. As a result of this analysis, Welland Hydro proposes to set the 2013 Total Loss Factor at 1.0532. This is the exact same loss factor as was set in the 2009 COS Application.

**Supply Facility Loss Factor**

The supply facility loss factor (SFLF) calculation represents the loss on supply to Welland Hydro and is calculated on the measured quantities between the transformer stations and the wholesale meter points. The SFLF is used to calculate the total loss factor and is 1.0045 as shown in Table 8-8 on the following page.

**Materiality Analysis on Distribution Losses**

Welland Hydro's Loss Adjustment factor is 4.85% as shown in Table 8-8. Pursuant to the OEB Filing Requirements, Welland Hydro is not required to provide an explanation of, or justification for its loss adjustment factor. Table 8.9 on the following page provides a proposed Loss Factor Summary.

Table 8-8 : Total Loss Factor

**Appendix 2-R  
 Loss Factors**

		Historical Years					5-Year Average
		2007	2008	2009	2010	2011	
	Losses Within Distributor's System						
A(1)	"Wholesale" kWh delivered to distributor (higher value)	493,927,030	487,062,910	419,617,213	443,594,623	452,100,623	459,260,480
A(2)	"Wholesale" kWh delivered to distributor (lower value)	491,714,316	484,880,946	417,737,395	441,607,390	450,075,284	457,203,066
B	Portion of "Wholesale" kWh delivered to distributor for its Large Use Customer(s)	84,878,749	103,613,834	52,428,320	59,291,407	60,593,427	72,161,147
C	Net "Wholesale" kWh delivered to distributor = A(2) - B	406,835,567	381,267,112	365,309,074	382,315,983	389,481,857	385,041,919
D	"Retail" kWh delivered by distributor	470,352,000	467,550,816	401,259,942	424,292,841	429,952,199	438,681,560
E	Portion of "Retail" kWh delivered by distributor to its Large Use Customer(s)	84,038,365	102,587,954	51,909,228	58,704,363	59,993,492	71,446,680
F	Net "Retail" kWh delivered by distributor = D - E	386,313,635	364,962,862	349,350,714	365,588,478	369,958,707	367,234,879
G	Loss Factor in Distributor's system = C / F	1.053122463	1.044673724	1.045680057	1.045755012	1.05277116	1.048489511
	Losses Upstream of Distributor's System						
H	Supply Facilities Loss Factor	1.0045	1.0045	1.0045	1.0045	1.0045	1.0045
	Total Losses						
I	Total Loss Factor = G x H	1.057861514	1.049374756	1.050385617	1.050460909	1.057508631	1.053207713

Table 8-9: Proposed Loss Factor Summary

Loss Factors	
Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0532
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0427
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045

1    **SPECIFIC SERVICE CHARGES**

2    **Retail Service Charges**

3    Welland Hydro is not seeking any changes to its current Board approved Retail Service Charges

4    **Wholesale Market Service Rate**

5    Welland Hydro is not seeking any changes to its current Board approved Wholesale Market Service  
6    Rates

7    **Specific Service Charges**

8    Welland Hydro is not seeking any changes to its current Board approved Specific Service Charges

**EXISTING RATE CLASSES:**

Welland Hydro is not requesting any changes to its existing rate classes which are outlined below.

**Residential:**

This classification refers to the supply of electrical energy to residential customers in detached or semi-detached units, as defined in the local zoning by-law.

**General Service Less than 50 kW:**

This classification refers to the supply of electrical energy to commercial buildings taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Commercial buildings are defined as buildings, which are used for purposes other than residential dwellings.

**General Service 50 to 4999 kW:**

This classification refers to the supply of electrical energy to commercial buildings whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Commercial buildings are defined as buildings, which are used for purposes other than residential dwellings.

**Large Use**

This classification refers to an account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW.

**Unmetered Scattered Load:**

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Unmetered or flat connections are permitted with the approval of Welland Hydro's Engineering Department. Flat rate connects may include, but are not limited to, Traffic Lights, Street Lights, Bus Shelters, and Signs. Energy consumption is determined by information provided by the customer and/or load measurement taken by Welland Hydro following connection of the flat service.

1    **Sentinel Lighting:**

2    This classification refers to an account for roadway lighting not classified as unmetered or street  
3    lighting. The consumption for the customer will be based on the calculated connected load times a  
4    twelve hour day times the applicable billing period.

5    **Street Lighting:**

6    This classification refers to the Street Lighting system owned by the City of Welland.

7

8    **microFIT Generator Service:**

9    This classification applies to an electricity generation facility contracted under the Ontario Power  
10   Authority's microFIT program and connected to the distributor's distribution system.

**EXISTING RATE SCHEDULE:**

**Welland Hydro-Electric System Corp.**  
**TARIFF OF RATES AND CHARGES EB-2011-0415**  
**Effective and Implementation Date May 1, 2012**

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

**RESIDENTIAL SERVICE CLASSIFICATION**

This classification refers to the supply of electrical energy to residential customers residing in detached or semi-detached units, as defined in the local zoning by-law. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	14.37
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	(0.24)
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	2.18
Distribution Volumetric Rate	\$/kWh	0.0144
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0016)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kWh	(0.0003)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0080
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0056

**MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Welland Hydro-Electric System Corp.** **TARIFF OF RATES AND CHARGES EB-2011-0415** **Effective and Implementation Date May 1, 2012**

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

## **GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION**

This classification refers to the supply of electrical energy to commercial buildings taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Commercial buildings are defined as buildings, which are used for purposes other than resident dwellings. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	24.80
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	(0.30)
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	3.95
Distribution Volumetric Rate	\$/kWh	0.0087
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0015)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kWh	(0.0003)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Welland Hydro-Electric System Corp. TARIFF OF RATES AND CHARGES EB-2011-0415 Effective and Implementation Date May 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to commercial buildings whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Commercial buildings are defined as buildings, which are used for purposes other than resident dwellings. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	339.49
Distribution Volumetric Rate	\$/kW	1.4242
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5226)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.0995)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.0264)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4354
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6828
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.4157
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.0158

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Welland Hydro-Electric System Corp.

## TARIFF OF RATES AND CHARGES EB-2011-0415

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### LARGE USE SERVICE CLASSIFICATION

This classification refers to an account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	12,986.14
Distribution Volumetric Rate	\$/kW	0.8762
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5277)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.1010)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.0158)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7701
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.2384

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Welland Hydro-Electric System Corp.

## TARIFF OF RATES AND CHARGES EB-2011-0415

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Unmetered or flat connections are permitted with the approval of Welland Hydro-Electric System Corp. Engineering Department. Flat rate connects may include, but are not limited to, Traffic Lights, Street Lights, Bus Shelters, and Signs. Energy consumption is determined by information provided by the customer and/or load measurement taken by Welland Hydro-Electric System Corp. following connection of the flat service. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	13.54
Distribution Volumetric Rate	\$/kWh	0.0093
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0016)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kWh	(0.0003)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Welland Hydro-Electric System Corp.** **TARIFF OF RATES AND CHARGES EB-2011-0415** **Effective and Implementation Date May 1, 2012**

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

## **SENTINEL LIGHTING SERVICE CLASSIFICATION**

This classification refers to an account for roadway lighting not classified as unmetered or street lighting. The consumption for the customer will be based on the calculated connected load times a twelve hour day times the applicable billing period. Further servicing details are available in the distributor's Conditions of Service.

## **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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## **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge (per connection)	\$	2.64
Distribution Volumetric Rate	\$/kW	6.0582
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5529)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.1026)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.1309)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2682
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5674

## **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Welland Hydro-Electric System Corp.** **TARIFF OF RATES AND CHARGES EB-2011-0415** **Effective and Implementation Date May 1, 2012**

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

## **STREET LIGHTING SERVICE CLASSIFICATION**

This classification refers to the Street Lighting system owned by the City of Welland. Welland Hydro-Electric System Corp. provides new installations and maintenance of the street lighting system, as required by the City of Welland. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge (per connection)	\$	2.51
Distribution Volumetric Rate	\$/kW	10.801
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5679)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.1043)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.2286)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2633
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5640

### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Welland Hydro-Electric System Corp.**  
**TARIFF OF RATES AND CHARGES EB-2011-0415**  
**Effective and Implementation Date May 1, 2012**

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

**microFIT GENERATOR SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	5.25
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# Welland Hydro-Electric System Corp.

## TARIFF OF RATES AND CHARGES EB-2011-0415

Effective and Implementation Date May 1, 2012

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

### ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.70)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

### SPECIFIC SERVICE CHARGES

#### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Customer Administration		
Arrears certificate	\$	15.00
Statement of account	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Account history	\$	15.00
Returned Cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect / Reconnect at meter - during regular hours	\$	65.00
Install / Remove load control device - during regular hours	\$	65.00
Disconnect / Reconnect at meter - after regular hours	\$	185.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Meter upgrade requested by customer plus installation – per month plus installation on a time and material basis.	\$	10.00

# Welland Hydro-Electric System Corp. TARIFF OF RATES AND CHARGES EB-2011-0415 Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

## RETAIL SERVICE CHARGES (if applicable)

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

## LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0532
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0427
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045

**PROPOSED RATE SCHEDULE:**

**Welland Hydro-Electric System Corp.**  
**PROPOSED TARIFF OF RATES AND CHARGES**  
**Proposed Effective and Implementation Date May 1, 2013**

**RESIDENTIAL SERVICE CLASSIFICATION**

This classification refers to the supply of electrical energy to residential customers residing in detached or semi-detached units, as defined in the local zoning by-law. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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**MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	16.44
Rate Rider for Stranded Meters – in effect until April 30, 2017	\$	0.45
Distribution Volumetric Rate	\$/kWh	0.0140
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0016)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kWh	(0.0003)
Rate Rider for Deferral/ Variance Account Disposition (2013) – effective until April 30, 2015	\$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account (2013) – applicable only to Non-RPP Customers – effective until April 30, 2015	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0081
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0056

**MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Welland Hydro-Electric System Corp.** **PROPOSED TARIFF OF RATES AND CHARGES** **Proposed Effective and Implementation Date May 1, 2013**

## **GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION**

This classification refers to the supply of electrical energy to commercial buildings taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Commercial buildings are defined as buildings, which are used for purposes other than resident dwellings. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	29.35
Rate Rider for Stranded Meters – effective until April 30, 2017	\$	0.48
Distribution Volumetric Rate	\$/kWh	0.0087
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0015)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kWh	(0.0003)
Rate Rider for Deferral/ Variance Account Disposition (2013) – effective until April 30, 2015	\$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account (2013) – applicable only to Non-RPP Customers – effective until April 30, 2015	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Welland Hydro-Electric System Corp.

## PROPOSED TARIFF OF RATES AND CHARGES

Proposed Effective and Implementation Date May 1, 2013

### GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to commercial buildings whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Commercial buildings are defined as buildings, which are used for purposes other than resident dwellings. Further servicing details are available in the distributor's Conditions of Service.

#### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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#### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	452.41
Distribution Volumetric Rate	\$/kW	1.7547
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5226)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.0995)
Rate Rider for Deferral/ Variance Account Disposition (2013) – effective until April 30, 2015	\$/kW	0.1007
Rate Rider for Global Adjustment Sub-Account (2013) – applicable only to Non-RPP Customers – effective until April 30, 2015	\$/kW	0.1004
Retail Transmission Rate – Network Service Rate	\$/kW	2.4714
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6808
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.4514
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.0134

#### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Welland Hydro-Electric System Corp.** **PROPOSED TARIFF OF RATES AND CHARGES** **Proposed Effective and Implementation Date May 1, 2013**

## **LARGE USE SERVICE CLASSIFICATION**

This classification refers to an account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

## **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

## **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	5868.04
Distribution Volumetric Rate	\$/kW	0.7725
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5277)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.1010)
Rate Rider for Deferral/ Variance Account Disposition (2013) – effective until April 30, 2015	\$/kW	0.0986
Rate Rider for Global Adjustment Sub-Account (2013) – applicable only to Non-RPP Customers – effective until April 30, 2015	\$/kW	0.0984
Retail Transmission Rate – Network Service Rate	\$/kW	1.7962
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.2357

## **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Welland Hydro-Electric System Corp.

## PROPOSED TARIFF OF RATES AND CHARGES

Proposed Effective and Implementation Date May 1, 2013

### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Unmetered or flat connections are permitted with the approval of Welland Hydro-Electric System Corp. Engineering Department. Flat rate connects may include, but are not limited to, Traffic Lights, Street Lights, Bus Shelters, and Signs. Energy consumption is determined by information provided by the customer and/or load measurement taken by Welland Hydro-Electric System Corp. following connection of the flat service. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	11.72
Distribution Volumetric Rate	\$/kWh	0.0077
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0016)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kWh	(0.0003)
Rate Rider for Deferral/ Variance Account Disposition (2013) – effective until April 30, 2015	\$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account (2013) – applicable only to Non-RPP Customers – effective until April 30, 2015	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Welland Hydro-Electric System Corp.

## PROPOSED TARIFF OF RATES AND CHARGES

Proposed Effective and Implementation Date May 1, 2013

### SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting not classified as unmetered or street lighting. The consumption for the customer will be based on the calculated connected load times a twelve hour day times the applicable billing period. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.70
Distribution Volumetric Rate	\$/kW	6.0512
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5529)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.1026)
Rate Rider for Deferral/ Variance Account Disposition (2013) – effective until April 30, 2015	\$/kW	0.1011
Rate Rider for Global Adjustment Sub-Account (2013) – applicable only to Non-RPP Customers – effective until April 30, 2015	\$/kW	0.1009
Retail Transmission Rate – Network Service Rate	\$/kW	2.3017
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5655

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Welland Hydro-Electric System Corp.** **PROPOSED TARIFF OF RATES AND CHARGES** **Proposed Effective and Implementation Date May 1, 2013**

## **STREET LIGHTING SERVICE CLASSIFICATION**

This classification refers to the Street Lighting system owned by the City of Welland. Welland Hydro-Electric System Corp. provides new installations and maintenance of the street lighting system, as required by the City of Welland. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge (per connection)	\$	1.94
Distribution Volumetric Rate	\$/kW	8.1826
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5679)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.1043)
Rate Rider for Deferral/ Variance Account Disposition (2013) – effective until April 30, 2015	\$/kW	0.1001
Rate Rider for Global Adjustment Sub-Account (2013) – applicable only to Non-RPP Customers – effective until April 30, 2015	\$/kW	0.0998
Retail Transmission Rate – Network Service Rate	\$/kW	2.2967
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5621

### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Welland Hydro-Electric System Corp.**

## **PROPOSED TARIFF OF RATES AND CHARGES**

**Proposed Effective and Implementation Date May 1, 2013**

### **microFIT GENERATOR SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

#### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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#### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge

\$ 5.25

# Welland Hydro-Electric System Corp.

## PROPOSED TARIFF OF RATES AND CHARGES

Proposed Effective and Implementation Date May 1, 2013

### ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.70)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

### SPECIFIC SERVICE CHARGES

#### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Customer Administration		
Arrears certificate	\$	15.00
Statement of account	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Account history	\$	15.00
Returned Cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect / Reconnect at meter - during regular hours	\$	65.00
Install / Remove load control device - during regular hours	\$	65.00
Disconnect / Reconnect at meter - after regular hours	\$	185.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Meter upgrade requested by customer plus installation – per month plus installation on a time and material basis.	\$	10.00

# Welland Hydro-Electric System Corp.

## PROPOSED TARIFF OF RATES AND CHARGES

Proposed Effective and Implementation Date May 1, 2013

### RETAIL SERVICE CHARGES (if applicable)

#### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

### LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0532
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0427
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045

**CHANGE FROM MONTHLY TO 30 DAY FIXED CHARGES**

Welland Hydro's new CIS/Billing Software purchased for TOU billing in 2011 pro-rates fixed charges over 30 days. As a result, in order not to over bill customers, Welland Hydro has been converting the existing fixed charges to 30 day equivalents. Welland Hydro is requesting a rate order in which the fixed monthly charges reflect 30 day period in order to reduce the chance of error from the Tariff of Rates and Charges to the input into the billing system. The conversion is taken by multiplying the current monthly charge by 12 months, dividing by 365 days, and then multiplying by 30 days. The proposed fixed charges in the previous schedule would be converted as follows:

	Monthly	Stranded Meter
Residential	\$16.22	\$0.44
GS<50 kW	\$28.95	\$0.47
GS 50 to 4,999 kW	\$446.21	
Large Use	\$5,787.65	
Unmetered Scattered	\$11.56	
Sentinel Lighting	\$2.66	
Street Lighting	\$1.91	

**BILL IMPACTS:**

This schedule presents the results of the assessment of customer total bill impacts by customer rate class. The comparison is based upon the existing 2012 Tariff of Rates and Charges and current electricity pricing (in some cases both RPP and TOU) to the proposed 2013 Tariff of Rates and Charges and current electricity pricing. Filing Requirement of Chapter 2 of the Appendices Module contains Appendix 2W to present the bill impact statements. The comparisons reflect the Ontario Clean Energy Benefit (OCEBA), however not all customers may be eligible for this deduction.

The comparison for each customer class and various consumption levels within customer classes are presented in the following pages:

## Bill Impacts

**Customer Class:** Residential

Consumption  kWh    ☒ May 1 - October 31    ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

[illegible]

**Loss Factor (%)**

5.3200%

5.3200%

**Consumption**  kWh    ☒ May 1 - October 31    ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

**Loss Factor (%)**

5.3200%

5.3200%

## Bill Impacts

**Customer Class:** Residential

Consumption  kWh ☒ May 1 - October 31 ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

		Current Board-Approved			Proposed			Impact	
	Charge Unit	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 16.5500	1	\$ 16.55	\$ 16.4400	1	\$ 16.44	\$ 0.11	-0.66%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
Smart Meter Residual	Monthly	-\$ 0.2400	1	-\$ 0.24	\$ -	1	\$ -	\$ 0.24	-100.00%
Stranded Meter Rate Rider	Monthly		1	\$ -	\$ 0.4500	1	\$ 0.45	\$ 0.45	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0141	1100	\$ 15.51	\$ 0.0140	1100	\$ 15.40	\$ 0.11	-0.71%
Smart Meter Disposition Rider			1100	\$ -		1100	\$ -	\$ -	
LRAM & SSM Rate Rider			1100	\$ -		1100	\$ -	\$ -	
Disposition-Residual Smart			1100	\$ -		1100	\$ -	\$ -	
			1100	\$ -		1100	\$ -	\$ -	
			1100	\$ -		1100	\$ -	\$ -	
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			1100	\$ -		1100	\$ -	\$ -	
			1100	\$ -		1100	\$ -	\$ -	
<b>Sub-Total A</b>				\$ 31.82			\$ 32.29	\$ 0.47	1.48%
Deferral/Variance Account	per kWh	-\$ 0.0016	1100	-\$ 1.76	-\$ 0.0016	1100	-\$ 1.76	\$ -	0.00%
Disposition Rate Rider 2012									
Deferral/Variance Account	per kWh		1100	\$ -	\$ 0.0003	1100	\$ 0.33	\$ 0.33	
Disposition Rate Rider 2013			1100	\$ -		1100	\$ -	\$ -	
			1100	\$ -		1100	\$ -	\$ -	
			1100	\$ -		1100	\$ -	\$ -	
Low Voltage Service Charge			1100	\$ -		1100	\$ -	\$ -	
Smart Meter Entity Charge						1100	\$ -	\$ -	
<b>Sub-Total B - Distribution (includes Sub-Total A)</b>				\$ 30.06			\$ 30.86	\$ 0.80	2.66%
RTSR - Network	per kWh	\$ 0.0080	1159	\$ 9.27	\$ 0.0081	1159	\$ 9.38	\$ 0.12	1.25%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0056	1159	\$ 6.49	\$ 0.0056	1159	\$ 6.49	\$ -	0.00%
<b>Sub-Total C - Delivery (including Sub-Total B)</b>				\$ 45.82			\$ 46.73	\$ 0.92	2.00%
Wholesale Market Service Charge (VMSC)	per kWh	\$ 0.0052	1159	\$ 6.02	\$ 0.0052	1159	\$ 6.02	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	1159	\$ 1.27	\$ 0.0011	1159	\$ 1.27	\$ -	0.00%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	1159	\$ 8.11	\$ 0.0070	1159	\$ 8.11	\$ -	0.00%
Energy - RPP - Tier 1		\$ 0.0750	600	\$ 45.00	\$ 0.0750	600	\$ 45.00	\$ -	0.00%
Energy - RPP - Tier 2		\$ 0.0880	559	\$ 49.15	\$ 0.0880	559	\$ 49.15	\$ -	0.00%
TOU - Off Peak		\$ 0.0650	741	\$ 48.19	\$ 0.0650	741	\$ 48.19	\$ -	0.00%
TOU - Mid Peak		\$ 0.1000	209	\$ 20.85	\$ 0.1000	209	\$ 20.85	\$ -	0.00%
TOU - On Peak		\$ 0.1170	209	\$ 24.40	\$ 0.1170	209	\$ 24.40	\$ -	0.00%
<b>Total Bill on RPP (before Taxes)</b>				\$ 155.62			\$ 156.54	\$ 0.92	0.59%
HST		13%		\$ 20.23	13%		\$ 20.35	\$ 0.12	0.59%
<b>Total Bill (including HST)</b>				\$ 175.86			\$ 176.89	\$ 1.03	0.59%
<i>Ontario Clean Energy Benefit<sup>1</sup></i>				-\$ 17.59			-\$ 17.69	\$ 0.10	0.57%
<b>Total Bill on RPP (including OCEB)</b>				\$ 158.27			\$ 159.20	\$ 0.93	0.59%
<b>Total Bill on TOU (before Taxes)</b>				\$ 154.92			\$ 155.84	\$ 0.92	0.59%
HST		13%		\$ 20.14	13%		\$ 20.26	\$ 0.12	0.59%
<b>Total Bill (including HST)</b>				\$ 175.06			\$ 176.09	\$ 1.03	0.59%
<i>Ontario Clean Energy Benefit<sup>1</sup></i>				-\$ 17.51			-\$ 17.61	\$ 0.10	0.57%
<b>Total Bill on TOU (including OCEB)</b>				\$ 157.55			\$ 158.48	\$ 0.93	0.59%

**Loss Factor (%)**

5.3200%

5.3200%

## Bill Impacts

Customer Class: **GS<50 kW**

Consumption  kWh    ☒ May 1 - October 31    ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

		Current Board-Approved			Proposed			Impact	
	Charge Unit	Rate (\$)	VOLUME	CHARGE (\$)	Rate (\$)	VOLUME	CHARGE (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 28.7500	1	\$ 28.75	\$ 29.3500	1	\$ 29.35	\$ 0.60	2.09%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
Smart Meter Residual	Monthly	-\$ 0.3000	1	\$ 0.30	\$ -	1	\$ -	\$ 0.30	-100.00%
Stranded Meter Rate Rider	Monthly		1	\$ -	\$ 0.4600	1	\$ 0.48	\$ 0.48	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0085	1000	\$ 8.50	\$ 0.0087	1000	\$ 8.70	\$ 0.20	2.35%
Smart Meter Disposition Rider			1000	\$ -		1000	\$ -	\$ -	
LRAM & SSM Rate Rider			1000	\$ -		1000	\$ -	\$ -	
Disposition-Residual Smart			1000	\$ -		1000	\$ -	\$ -	
			1000	\$ -		1000	\$ -	\$ -	
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Loss Factor (%)

5,3200%

5.3200%

## Bill Impacts

Customer Class: GS&lt;50 kW

Consumption  kWh    ☒ May 1 - October 31    ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

[illegible]

**Loss Factor (%)**

5.3200%

5.3200%

## Bill Impacts

**Customer Class:** GS<50 kW

Consumption  kWh    ☒ May 1 - October 31    ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

[illegible]

**Loss Factor (%)**

5.3200%

5.3200%

## Appendix 2-W Bill Impacts

**Customer Class:** GS>50

Consumption 

60	kW
32400	kWh

☒ May 1 - October 31 ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

[illegible]

**Loss Factor (%)**

5.3200%

5.3200%

## Bill Impacts

Customer Class: GS&gt;50

### Consumption

60 kW

May 1 - October 31

☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

[illegible]

**Loss Factor (%)**

5.3200%

5.3200%

## Appendix 2-W Bill Impacts

Customer Class: **GS>50**

### Consumption

250	kW
50400	kWh

May 1 - October 31

☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

		Current Board-Approved			Proposed			Impact		
	Charge Unit	Rate (\$)	Volume	Charge (\$)		Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 339.4900	1	\$ 339.49		\$ 452.4100	1	\$ 452.41	\$ 112.92	33.26%
Smart Meter Rate Adder			1	\$ -			1	\$ -	\$ -	
Smart Meter Residual	Monthly	\$ -	1	\$ -		\$ -	1	\$ -	\$ -	
Stranded Meter Rate Rider	Monthly		1	\$ -			1	\$ -	\$ -	
			1	\$ -			1	\$ -	\$ -	
			1	\$ -			1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 1.3978	250	\$ 349.45		\$ 1.7547	250	\$ 438.68	\$ 89.23	25.53%
Smart Meter Disposition Rider			250	\$ -			250	\$ -	\$ -	
LRAM & SSM Rate Rider			250	\$ -			250	\$ -	\$ -	
Disposition-Residual Smart			250	\$ -			250	\$ -	\$ -	
			250	\$ -			250	\$ -	\$ -	
			250	\$ -			250	\$ -	\$ -	
			250	\$ -			250	\$ -	\$ -	
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**Loss Factor (%)**

5.3200%

5.3200%

## Appendix 2-W Bill Impacts

Customer Class: GS&gt;50

Consumption 

4100
1330000

 kW ☒ May 1 - October 31 ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 339.4900	1	\$ 339.49	\$ 452.4100	1	\$ 452.41	\$ 112.92	33.26%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
Smart Meter Residual	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Stranded Meter Rate Rider	Monthly		1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 1.3978	4100	\$ 5,730.98	\$ 1.7547	4100	\$ 7,194.27	\$ 1,463.29	25.53%
Smart Meter Disposition Rider			4100	\$ -		4100	\$ -	\$ -	
LRAM & SSM Rate Rider			4100	\$ -		4100	\$ -	\$ -	
Disposition-Residual Smart			4100	\$ -		4100	\$ -	\$ -	
Transformer Allowance	per kW	-\$ 0.7000	4100	-\$ 2,870.00	-\$ 0.7000	4100	-\$ 2,870.00	\$ -	0.00%
			4100	\$ -		4100	\$ -	\$ -	
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Loss Factor (%)	4.2700%	4.2700%
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## Appendix 2-W Bill Impacts

**Customer Class:** Large Use

### Consumption

13972 kW

May 1 - October 31

☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

		Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 12,986.1400	1	\$ 12,986.14	\$ 5,868.0400	1	\$ 5,868.04	-\$ 7,118.10	-54.81%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
Smart Meter Residual	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Stranded Meter Rate Rider	Monthly		1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 0.8604	13972	\$ 12,021.51	\$ 0.7725	13972	\$ 10,793.37	-\$ 1,228.14	-10.22%
Smart Meter Disposition Rider			13972	\$ -		13972	\$ -	\$ -	
LRAM & SSM Rate Rider			13972	\$ -		13972	\$ -	\$ -	
Disposition-Residual Smart			13972	\$ -		13972	\$ -	\$ -	
Transformer Allowance	per kW	-\$ 0.7000	13972	-\$ 9,780.40	-\$ 0.7000	13972	-\$ 9,780.40	\$ -	0.00%
			13972	\$ -		13972	\$ -	\$ -	
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			13972						

**Loss Factor (%)**

0.4500%

0.4500%

## Appendix 2-W Bill Impacts

**Customer Class:** Unmetered Scattered Load

Consumption  kWh ☒ May 1 - October 31 ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

		Current Board-Approved			Proposed			Impact	
	Charge Unit	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 13.5400	1	\$ 13.54	\$ 11.7200	1	\$ 11.72	-\$ 1.82	-13.44%
Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	-
Smart Meter Residual	Monthly		1	\$ -	\$ -	1	\$ -	\$ -	-
Stranded Meter Rate Rider	Monthly		1	\$ -		1	\$ -	\$ -	-
			1	\$ -		1	\$ -	\$ -	-
			1	\$ -		1	\$ -	\$ -	-
Distribution Volumetric Rate	per kWh	\$ 0.0089	150	\$ 1.34	\$ 0.0077	150	\$ 1.16	-\$ 0.18	-13.48%
Smart Meter Disposition Rider			150	\$ -		150	\$ -	\$ -	-
LRAM & SSM Rate Rider			150	\$ -		150	\$ -	\$ -	-
Disposition-Residual Smart			150	\$ -		150	\$ -	\$ -	-
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			150	\$ -		150	\$ -	\$ -	-
			150	\$ -		150	\$ -	\$ -	-

**Loss Factor (%)**

5.3200%

5.3200%

## Bill Impacts

**Customer Class:** Unmetered Scattered Load

**Consumption**  kWh    ☒ May 1 - October 31    ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

[illegible]

**Loss Factor (%)**

5.3200%

5.3200%

## Appendix 2-W Bill Impacts

**Customer Class:** Sentinel Light

Consumption 

0.3 kW
120 kWh

☒ May 1 - October 31 ☐ November 1 - April 30 (Select this radio button for applications filed after Oct 31)

[illegible]

Loss Factor (%)

5.3200%

5.3200%

## 2

**RATE MITIGATION**

Welland Hydro submits that the bill impacts for customer classes are within the 10% of total bills and as a result no rate mitigation is required. This is the result of the overall revenue deficiency being 2.1% for distribution revenues. For most customer classes, the bill impacts are minimal or represent a reduction in the total amount. The customer class with the greatest bill impact is the GS 50 to 4,999 kW. Some of this impact is the result of changing to the required methodology of applying transformer allowance across the customer class in which the allowance was given which is different from Welland Hydro's 2009 COS rates.

Welland Hydro has presented bill impacts for two actual customers which are just above the low end of the demand (50kW) for this customer class. One customer has significant kWh consumption and one with low to moderate kWh consumption. Both customers at the low end of this customer class have bill impacts at less than the required 10%.

Welland Hydro's proposed 2013 distribution rates result in annual distribution charges of \$10,693.08 (\$891.09 X 12) for a customer with demand of 250kW. This amount is still below the 2010 Ontario average of \$11,274.45 which was obtained from a presentation at the Orientation Session for Electricity Distributors Rebasing for 2013 Rates held at the OEB offices on July 9, 2012 and included in Appendix C to this Exhibit.

**APPENDIX A**

**REVENUE RECONCILIATION**

## Appendix 2-V Revenue Reconciliation

Rate Class	Customers/ Connections	Number of Customers/Connections		Test Year Consumption		Proposed Rates			Revenues at Proposed Rates	Class Specific Revenue Requirement	Transformer Allowance Credit	Total	Difference
		Start of Test Year	End of Test Year	Average	kWh	kW	Monthly Service Charge	Volumetric					
								kWh					
Residential	Customers	20,245.00	20,619.00	20,432.00	160,995,683		\$ 16.44	\$ 0.0140	\$ 6,284,764.52	\$ 6,279,764		\$ 6,279,764	\$ 5,001
GS < 50 kW	Customers	1,695.00	1,697.00	1,696.00	54,236,152		\$ 29.35	\$ 0.0087	\$ 1,069,185.72	\$ 1,056,227	\$ 11,559	\$ 1,067,786	\$ 1,400
GS > 50 to 4,999 kW	Customers	169.00	169.00	169.00	140,269,569	389,693	\$ 452.41		\$ 1,601,281.79	\$ 1,474,586	\$ 126,584	\$ 1,601,280	\$ 2
Large Use	Customers	1.00	1.00	1.00	59,134,727	167,672	\$ 5,888.04		\$ 199,943.10	\$ 82,491	\$ 117,370	\$ 199,861	\$ 82
Streets Lighting	Connections	6,750.00	6,750.00	6,750.00	1,246,642	3,552	\$ 1.94	\$ 8.1826	\$ 186,204.60	\$ 186,224		\$ 186,224	\$ 19
Sentinel Lighting	Connections	574.00	574.00	574.00	826,332	2,297	\$ 2.70	\$ 6.0512	\$ 32,497.21	\$ 39,100		\$ 39,100	\$ 6,603
Unmetered Scattered Load	Connections	225.00	225.00	225.00	1,103,690		\$ 11.72	\$ 0.0077	\$ 40,142.41	\$ 40,089		\$ 40,089	\$ 53
Standby Power													
Embedded Distributor Class													
etc.													
<b>Total</b>									\$ 9,414,019.35	\$ 9,158,591	\$ 255,513	\$ 9,414,104	\$ 85

Note

- The class specific revenue requirements in column N must be the amounts used in the final rate design process. The total of column N should equate to the proposed base revenue requirement

**APPENDIX B**  
**2013 RTRS WORKFORM**

# RTSR Workform for Electricity Distributors (2013 Filers)

Utility Name Welland Hydro Electric System Corp.

Assigned EB Number EB-2012-0173

Name and Title Wayne Armstrong - Director of Finance

Phone Number 905-732-1381 Ext 234

Email Address warmstrong@wellandhydro.com


Date 31-Aug-12

Last COS Re-based Year 2009

**Note: Drop-down lists are shaded blue; Input cells are shaded green.**

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your COS/IRM application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.*



# RTSR Workform for Electricity Distributors (2013 Filers)

1. Info

2. Table of Contents

3. Rate Classes

4. RRR Data

5. UTRs and Sub-Transmission

6. Historical Wholesale

7. Current Wholesale

8. Forecast Wholesale

9. Adj Network to Current WS

10. Adj Conn. to Current WS

11. Adj Network to Forecast WS

12. Adj Conn. to Forecast WS

13. Final 2013 RTS Rates

# RTSR Workform for Electricity Distributors (2013 Filers)

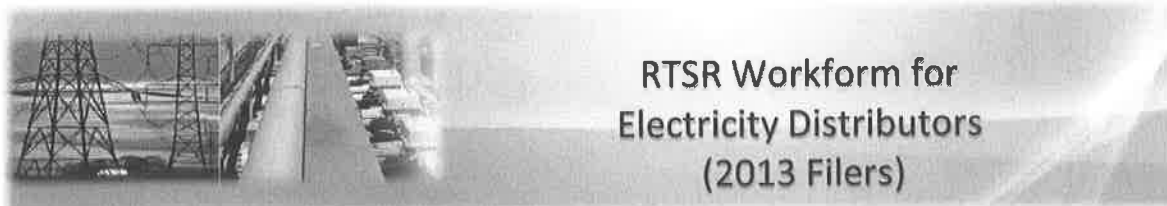
1. Select the appropriate rate classes that appear on your most recent Board-Approved Tariff of Rates and Charges.
2. Enter the RTS Network and Connection Rate as it appears on the Tariff of Rates and Charges

Rate Class	Unit	RTSR-Network	RTSR-Connection
Residential	kWh	\$ 0.0080	\$ 0.0056
General Service Less Than 50 kW	kWh	\$ 0.0071	\$ 0.0049
General Service 50 to 4,999 kW	kW	\$ 2.4354	\$ 1.6828
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.4157	\$ 2.0158
Large Use	kW	\$ 1.7701	\$ 2.2384
Unmetered Scattered Load	kWh	\$ 0.0071	\$ 0.0049
Sentinel Lighting	kW	\$ 2.2682	\$ 1.5674
Street Lighting	kW	\$ 2.2633	\$ 1.5640

# RTSR Workform for Electricity Distributors (2013 Filers)

In the green shaded cells, enter the most recent reported RRR billing determinants. Please ensure that billing determinants are non-loss adjusted.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	158,621,921		1.0532		167,060,607	-
General Service Less Than 50 kW	kWh	54,435,719		1.0532		57,331,699	-
General Service 50 to 4,999 kW	kW	55,698,640	154,741		49.33%	55,698,640	154,741
General Service 50 to 4,999 kW – Interval Metered	kW	94,475,518	262,469		49.34%	94,475,518	262,469
Large Use	kW	59,993,492	170,236		48.30%	59,993,492	170,236
Unmetered Scattered Load	kWh	1,122,904		1.0532		1,182,642	-
Sentinel Lighting	kW	894,240	2,462		49.78%	894,240	2,462
Street Lighting	kW	4,709,765	13,144		49.11%	4,709,765	13,144



## RTSR Workform for Electricity Distributors (2013 Filers)

Uniform Transmission Rates		Unit	Effective January 1, 2011	Effective January 1, 2012	Effective January 1, 2013
Rate Description			Rate	Rate	Rate
Network Service Rate		kW	\$ 3.22	\$ 3.57	\$ 3.57
Line Connection Service Rate		kW	\$ 0.79	\$ 0.80	\$ 0.80
Transformation Connection Service Rate		kW	\$ 1.77	\$ 1.86	\$ 1.86
Hydro One Sub-Transmission Rates		Unit	Effective January 1, 2011	Effective January 1, 2012	Effective January 1, 2013
Rate Description			Rate	Rate	Rate
Network Service Rate		kW	\$ 2.65	\$ 2.65	\$ 2.65
Line Connection Service Rate		kW	\$ 0.64	\$ 0.64	\$ 0.64
Transformation Connection Service Rate		kW	\$ 1.50	\$ 1.50	\$ 1.50
Both Line and Transformation Connection Service Rate		kW	\$ 2.14	\$ 2.14	\$ 2.14
Hydro One Sub-Transmission Rate Rider 6A		Unit	Effective January 1, 2011	Effective January 1, 2012	Effective January 1, 2013
Rate Description			Rate	Rate	Rate
RSVA Transmission network - 4714 - which affects 1584		kW	\$ 0.0470	\$ -	\$ -
RSVA Transmission connection - 4716 - which affects 1586		kW	-\$ 0.0250	\$ -	\$ -
RSVA LV - 4750 - which affects 1550		kW	\$ 0.0580	\$ -	\$ -
RARA 1 - 2252 - which affects 1590		kW	-\$ 0.0750	\$ -	\$ -
Hydro One Sub-Transmission Rate Rider 6A		kW	<u>\$ 0.0050</u>	<u>\$ -</u>	<u>\$ -</u>



## RTSR Workform for Electricity Distributors (2013 Filers)

In the green shaded cells, enter billing detail for wholesale transmission for the same reporting period as the billing determinants on Sheet "4, RRR Data".  
For Hydro One Sub-transmission Rates, if you are charged a combined Line and Transformer connection rate, please ensure that both the line connection and transformer connection columns are completed.

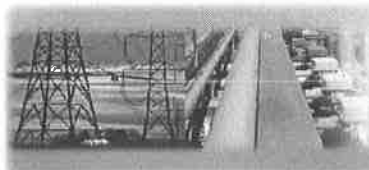
IESO	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	75,665	\$3.22	\$ 243,641	75,665	\$0.79	\$ 59,775	75,665	\$1.77	\$ 133,927	\$ 193,702
February	72,051	\$3.22	\$ 232,004	73,678	\$0.79	\$ 58,206	73,678	\$1.77	\$ 130,410	\$ 188,616
March	66,972	\$3.22	\$ 215,650	66,043	\$0.79	\$ 54,544	69,043	\$1.77	\$ 122,206	\$ 176,750
April	64,316	\$3.22	\$ 207,098	66,077	\$0.79	\$ 52,201	66,077	\$1.77	\$ 116,956	\$ 169,157
May	78,502	\$3.22	\$ 252,776	78,502	\$0.79	\$ 62,017	78,502	\$1.77	\$ 138,949	\$ 200,965
June	79,453	\$3.22	\$ 255,839	83,481	\$0.79	\$ 65,950	83,481	\$1.77	\$ 147,761	\$ 213,711
July	98,041	\$3.22	\$ 315,692	98,573	\$0.79	\$ 77,873	98,573	\$1.77	\$ 174,474	\$ 252,347
August	81,230	\$3.22	\$ 261,561	86,292	\$0.79	\$ 68,171	86,292	\$1.77	\$ 152,737	\$ 220,908
September	73,629	\$3.22	\$ 237,085	77,724	\$0.79	\$ 61,402	77,724	\$1.77	\$ 137,571	\$ 198,973
October	61,676	\$3.22	\$ 198,597	61,954	\$0.79	\$ 48,944	61,954	\$1.77	\$ 109,659	\$ 158,603
November	63,877	\$3.22	\$ 205,684	67,013	\$0.79	\$ 52,940	67,013	\$1.77	\$ 118,613	\$ 171,553
December	65,618	\$3.22	\$ 211,290	69,622	\$0.79	\$ 55,001	69,622	\$1.77	\$ 123,231	\$ 178,232
<b>Total</b>	<b>881,030</b>	<b>\$ 3.22</b>	<b>\$ 2,836,917</b>	<b>907,625</b>	<b>\$ 0.79</b>	<b>\$ 717,024</b>	<b>907,623</b>	<b>\$ 1.77</b>	<b>\$ 1,606,494</b>	<b>\$ 2,323,517</b>

Hydro One	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		\$0.00			\$0.00			\$0.00		\$ -
February		\$0.00			\$0.00			\$0.00		\$ -
March		\$0.00			\$0.00			\$0.00		\$ -
April		\$0.00			\$0.00			\$0.00		\$ -
May		\$0.00			\$0.00			\$0.00		\$ -
June		\$0.00			\$0.00			\$0.00		\$ -
July		\$0.00			\$0.00			\$0.00		\$ -
August		\$0.00			\$0.00			\$0.00		\$ -
September		\$0.00			\$0.00			\$0.00		\$ -
October		\$0.00			\$0.00			\$0.00		\$ -
November		\$0.00			\$0.00			\$0.00		\$ -
December		\$0.00			\$0.00			\$0.00		\$ -
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Total	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	75,665	\$3.22	\$ 243,641	75,665	\$0.79	\$ 59,775	75,665	\$1.77	\$ 133,927	\$ 193,702
February	72,051	\$3.22	\$ 232,004	73,678	\$0.79	\$ 58,206	73,678	\$1.77	\$ 130,410	\$ 188,616
March	66,972	\$3.22	\$ 215,650	69,043	\$0.79	\$ 54,544	69,043	\$1.77	\$ 122,206	\$ 176,750
April	64,316	\$3.22	\$ 207,098	66,077	\$0.79	\$ 52,201	66,077	\$1.77	\$ 116,956	\$ 169,157
May	78,502	\$3.22	\$ 252,776	78,502	\$0.79	\$ 62,017	78,502	\$1.77	\$ 138,949	\$ 200,965
June	79,453	\$3.22	\$ 255,839	83,481	\$0.79	\$ 65,950	83,481	\$1.77	\$ 147,761	\$ 213,711
July	98,041	\$3.22	\$ 315,692	98,573	\$0.79	\$ 77,873	98,573	\$1.77	\$ 174,474	\$ 252,347
August	81,230	\$3.22	\$ 261,561	86,292	\$0.79	\$ 68,171	86,292	\$1.77	\$ 152,737	\$ 220,908
September	73,629	\$3.22	\$ 237,085	77,724	\$0.79	\$ 61,402	77,724	\$1.77	\$ 137,571	\$ 198,973
October	61,676	\$3.22	\$ 198,597	61,954	\$0.79	\$ 48,944	61,954	\$1.77	\$ 109,659	\$ 158,603
November	63,877	\$3.22	\$ 205,684	67,013	\$0.79	\$ 52,940	67,013	\$1.77	\$ 118,613	\$ 171,553
December	65,618	\$3.22	\$ 211,290	69,622	\$0.79	\$ 55,001	69,622	\$1.77	\$ 123,231	\$ 178,232
<b>Total</b>	<b>881,030</b>	<b>\$ 3.22</b>	<b>\$ 2,836,917</b>	<b>907,625</b>	<b>\$ 0.79</b>	<b>\$ 717,024</b>	<b>907,623</b>	<b>\$ 1.77</b>	<b>\$ 1,606,494</b>	<b>\$ 2,323,517</b>



## RTSR Workform for Electricity Distributors (2013 Filers)

The purpose of this sheet is to calculate the expected billing when current 2012 Uniform Transmission Rates are applied against historical 2011 transmission units.

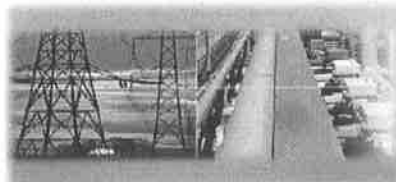
IESO	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	75,665	\$ 3.5700	\$ 270,124	75,665	\$ 0.8000	\$ 60,532	75,665	\$ 1.8600	\$ 140,737	\$ 201,268
February	72,051	\$ 3.5700	\$ 257,222	73,678	\$ 0.8000	\$ 58,943	73,678	\$ 1.8600	\$ 137,041	\$ 195,984
March	66,972	\$ 3.5700	\$ 239,090	69,043	\$ 0.8000	\$ 55,234	69,043	\$ 1.8600	\$ 128,420	\$ 183,654
April	64,316	\$ 3.5700	\$ 229,609	66,077	\$ 0.8000	\$ 52,862	66,077	\$ 1.8600	\$ 122,903	\$ 175,765
May	78,502	\$ 3.5700	\$ 280,252	78,502	\$ 0.8000	\$ 62,802	78,502	\$ 1.8600	\$ 146,014	\$ 208,815
June	79,453	\$ 3.5700	\$ 283,648	83,481	\$ 0.8000	\$ 66,785	83,481	\$ 1.8600	\$ 155,274	\$ 222,059
July	98,041	\$ 3.5700	\$ 350,006	98,573	\$ 0.8000	\$ 78,859	98,573	\$ 1.8600	\$ 183,346	\$ 262,204
August	81,230	\$ 3.5700	\$ 289,992	86,292	\$ 0.8000	\$ 69,034	86,292	\$ 1.8600	\$ 160,503	\$ 229,537
September	73,629	\$ 3.5700	\$ 262,855	77,724	\$ 0.8000	\$ 62,179	77,724	\$ 1.8600	\$ 144,566	\$ 206,745
October	61,676	\$ 3.5700	\$ 220,184	61,954	\$ 0.8000	\$ 49,564	61,954	\$ 1.8600	\$ 115,235	\$ 164,798
November	63,877	\$ 3.5700	\$ 228,041	67,013	\$ 0.8000	\$ 53,610	67,013	\$ 1.8600	\$ 124,644	\$ 178,254
December	65,618	\$ 3.5700	\$ 234,256	69,622	\$ 0.8000	\$ 55,697	69,622	\$ 1.8600	\$ 129,497	\$ 185,194
<b>Total</b>	<b>881,030</b>	<b>\$ 3.57</b>	<b>\$ 3,145,278</b>	<b>907,625</b>	<b>\$ 0.80</b>	<b>\$ 726,100</b>	<b>907,623</b>	<b>\$ 1.86</b>	<b>\$ 1,688,180</b>	<b>\$ 2,414,279</b>

Hydro One	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
February	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
March	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
April	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
May	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
June	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
July	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
August	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
September	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
October	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
November	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
December	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	\$ -
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Total	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	75,665	\$ 3.57	\$ 270,124	75,665	\$ 0.80	\$ 60,532	75,665	\$ 1.86	\$ 140,737	\$ 201,268
February	72,051	\$ 3.57	\$ 257,222	73,678	\$ 0.80	\$ 58,943	73,678	\$ 1.86	\$ 137,041	\$ 195,984
March	66,972	\$ 3.57	\$ 239,090	69,043	\$ 0.80	\$ 55,234	69,043	\$ 1.86	\$ 128,420	\$ 183,654
April	64,316	\$ 3.57	\$ 229,609	66,077	\$ 0.80	\$ 52,862	66,077	\$ 1.86	\$ 122,903	\$ 175,765
May	78,502	\$ 3.57	\$ 280,252	78,502	\$ 0.80	\$ 62,802	78,502	\$ 1.86	\$ 146,014	\$ 208,815
June	79,453	\$ 3.57	\$ 283,648	83,481	\$ 0.80	\$ 66,785	83,481	\$ 1.86	\$ 155,274	\$ 222,059
July	98,041	\$ 3.57	\$ 350,006	98,573	\$ 0.80	\$ 78,859	98,573	\$ 1.86	\$ 183,346	\$ 262,204
August	81,230	\$ 3.57	\$ 289,992	86,292	\$ 0.80	\$ 69,034	86,292	\$ 1.86	\$ 160,503	\$ 229,537
September	73,629	\$ 3.57	\$ 262,855	77,724	\$ 0.80	\$ 62,179	77,724	\$ 1.86	\$ 144,566	\$ 206,745
October	61,676	\$ 3.57	\$ 220,184	61,954	\$ 0.80	\$ 49,564	61,954	\$ 1.86	\$ 115,235	\$ 164,798
November	63,877	\$ 3.57	\$ 228,041	67,013	\$ 0.80	\$ 53,610	67,013	\$ 1.86	\$ 124,644	\$ 178,254
December	65,618	\$ 3.57	\$ 234,256	69,622	\$ 0.80	\$ 55,697	69,622	\$ 1.86	\$ 129,497	\$ 185,194
<b>Total</b>	<b>881,030</b>	<b>\$ 3.57</b>	<b>\$ 3,145,278</b>	<b>907,625</b>	<b>\$ 0.80</b>	<b>\$ 726,100</b>	<b>907,623</b>	<b>\$ 1.86</b>	<b>\$ 1,688,180</b>	<b>\$ 2,414,279</b>



## RTSR Workform for Electricity Distributors (2013 Filers)

The purpose of this sheet is to calculate the expected billing when forecasted 2013 Uniform Transmission Rates are applied against historical 2011 transmission units.

IESO				Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	75,665	\$ 3.5700	\$ 270,124	75,665	\$ 0.8000	\$ 60,532	75,665	\$ 1.8600	\$ 140,737				\$ 201,268
February	72,051	\$ 3.5700	\$ 257,222	73,678	\$ 0.8000	\$ 58,943	73,678	\$ 1.8600	\$ 137,041				\$ 195,984
March	66,972	\$ 3.5700	\$ 239,090	69,043	\$ 0.8000	\$ 55,234	69,043	\$ 1.8600	\$ 128,420				\$ 183,654
April	64,316	\$ 3.5700	\$ 229,609	66,077	\$ 0.8000	\$ 52,862	66,077	\$ 1.8600	\$ 122,903				\$ 175,765
May	78,502	\$ 3.5700	\$ 280,252	78,502	\$ 0.8000	\$ 62,802	78,502	\$ 1.8600	\$ 146,014				\$ 208,815
June	79,453	\$ 3.5700	\$ 283,648	83,481	\$ 0.8000	\$ 66,785	83,481	\$ 1.8600	\$ 155,274				\$ 222,059
July	98,041	\$ 3.5700	\$ 350,006	98,573	\$ 0.8000	\$ 78,859	98,573	\$ 1.8600	\$ 183,346				\$ 262,204
August	81,230	\$ 3.5700	\$ 289,992	86,292	\$ 0.8000	\$ 69,034	86,292	\$ 1.8600	\$ 160,503				\$ 229,537
September	73,629	\$ 3.5700	\$ 262,855	77,724	\$ 0.8000	\$ 62,179	77,724	\$ 1.8600	\$ 144,566				\$ 206,745
October	61,676	\$ 3.5700	\$ 220,184	61,954	\$ 0.8000	\$ 49,564	61,954	\$ 1.8600	\$ 115,235				\$ 164,798
November	63,877	\$ 3.5700	\$ 228,041	67,013	\$ 0.8000	\$ 53,610	67,013	\$ 1.8600	\$ 124,644				\$ 178,254
December	65,618	\$ 3.5700	\$ 234,256	69,622	\$ 0.8000	\$ 55,697	69,622	\$ 1.8600	\$ 129,497				\$ 185,194
<b>Total</b>	<b>881,030</b>	<b>\$ 3.57</b>	<b>\$ 3,145,278</b>	<b>907,625</b>	<b>\$ 0.80</b>	<b>\$ 726,100</b>	<b>907,623</b>	<b>\$ 1.86</b>	<b>\$ 1,688,180</b>				<b>\$ 2,414,279</b>

Hydro One				Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
February	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
March	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
April	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
May	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
June	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
July	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
August	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
September	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
October	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
November	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
December	-	\$ 2.6500	\$ -	-	\$ 0.6400	\$ -	-	\$ 1.5000	\$ -	-			\$ -
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>			<b>\$ -</b>

Total				Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	75,665	\$ 3.57	\$ 270,124	75,665	\$ 0.80	\$ 60,532	75,665	\$ 1.86	\$ 140,737				\$ 201,268
February	72,051	\$ 3.57	\$ 257,222	73,678	\$ 0.80	\$ 58,943	73,678	\$ 1.86	\$ 137,041				\$ 195,984
March	66,972	\$ 3.57	\$ 239,090	69,043	\$ 0.80	\$ 55,234	69,043	\$ 1.86	\$ 128,420				\$ 183,654
April	64,316	\$ 3.57	\$ 229,609	66,077	\$ 0.80	\$ 52,862	66,077	\$ 1.86	\$ 122,903				\$ 175,765
May	78,502	\$ 3.57	\$ 280,252	78,502	\$ 0.80	\$ 62,802	78,502	\$ 1.86	\$ 146,014				\$ 208,815
June	79,453	\$ 3.57	\$ 283,648	83,481	\$ 0.80	\$ 66,785	83,481	\$ 1.86	\$ 155,274				\$ 222,059
July	98,041	\$ 3.57	\$ 350,006	98,573	\$ 0.80	\$ 78,859	98,573	\$ 1.86	\$ 183,346				\$ 262,204
August	81,230	\$ 3.57	\$ 289,992	86,292	\$ 0.80	\$ 69,034	86,292	\$ 1.86	\$ 160,503				\$ 229,537
September	73,629	\$ 3.57	\$ 262,855	77,724	\$ 0.80	\$ 62,179	77,724	\$ 1.86	\$ 144,566				\$ 206,745
October	61,676	\$ 3.57	\$ 220,184	61,954	\$ 0.80	\$ 49,564	61,954	\$ 1.86	\$ 115,235				\$ 164,798
November	63,877	\$ 3.57	\$ 228,041	67,013	\$ 0.80	\$ 53,610	67,013	\$ 1.86	\$ 124,644				\$ 178,254
December	65,618	\$ 3.57	\$ 234,256	69,622	\$ 0.80	\$ 55,697	69,622	\$ 1.86	\$ 129,497				\$ 185,194
<b>Total</b>	<b>881,030</b>	<b>\$ 3.57</b>	<b>\$ 3,145,278</b>	<b>907,625</b>	<b>\$ 0.80</b>	<b>\$ 726,100</b>	<b>907,623</b>	<b>\$ 1.86</b>	<b>\$ 1,688,180</b>				<b>\$ 2,414,279</b>



## RTSR Workform for Electricity Distributors (2013 Filers)

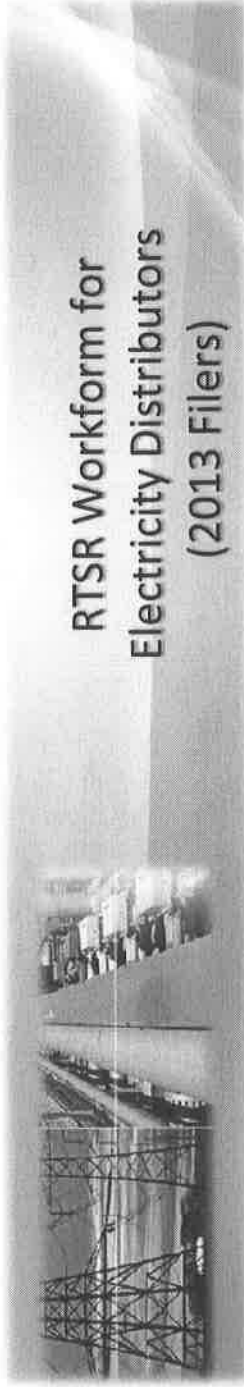
The purpose of this sheet is to re-align the current RTS Network Rates to recover current wholesale network costs.

Rate Class	Unit	Current RTSR-Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Proposed RTSR Network
Residential	kWh	\$ 0.0080	167,060,607	-	\$ 1,336,485	43.1%	\$ 1,356,221	\$ 0.0081
General Service Less Than 50 kW	kWh	\$ 0.0071	57,331,699	-	\$ 407,055	13.1%	\$ 413,066	\$ 0.0072
General Service 50 to 4,999 kW	kW	\$ 2.4354	55,698,640	154,741	\$ 376,856	12.2%	\$ 382,421	\$ 2.4714
General Service 50 to 4,999 kW - Interval Metered	kW	\$ 2.4157	94,475,518	262,469	\$ 634,046	20.5%	\$ 643,409	\$ 2.4514
Large Use	kW	\$ 1.7701	59,993,492	170,236	\$ 301,335	9.7%	\$ 305,785	\$ 1.7962
Unmetered Scattered Load	kWh	\$ 0.0071	1,182,642	-	\$ 8,397	0.3%	\$ 8,521	\$ 0.0072
Sentinel Lighting	kW	\$ 2.2682	894,240	2,462	\$ 5,584	0.2%	\$ 5,667	\$ 2.3017
Street Lighting	kW	\$ 2.2633	4,709,765	13,144	\$ 29,749	1.0%	\$ 30,188	\$ 2.2967
					<u>\$ 3,099,507</u>			

# RTSR Workform for Electricity Distributors (2013 Filers)

The purpose of this sheet is to re-align the current RTS Connection Rates to recover current wholesale connection costs.

Rate Class	Unit	Current RTSR- Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Proposed RTSR Connection
Residential	kWh	\$ 0.0056	167,060,607	-	\$ 935,539	38.7%	\$ 934,403	\$ 0.0056
General Service Less Than 50 kW	kWh	\$ 0.0049	57,331,699	-	\$ 280,925	11.6%	\$ 280,584	\$ 0.0049
General Service 50 to 4,999 kW	kW	\$ 1.6828	55,698,640	154,741	\$ 260,398	10.8%	\$ 260,082	\$ 1.6808
General Service 50 to 4,999 kW - Interval Metered	kW	\$ 2.0158	94,475,518	262,469	\$ 529,085	21.9%	\$ 528,442	\$ 2.0134
Large Use	kW	\$ 2.2384	59,993,492	170,236	\$ 381,056	15.8%	\$ 380,593	\$ 2.2357
Unmetered Scattered Load	kWh	\$ 0.0049	1,182,642	-	\$ 5,795	0.2%	\$ 5,788	\$ 0.0049
Sentinel Lighting	kW	\$ 1.5674	894,240	2,462	\$ 3,859	0.2%	\$ 3,854	\$ 1.5655
Street Lighting	kW	\$ 1.5640	4,709,765	13,144	\$ 20,557	0.9%	\$ 20,532	\$ 1.5621
					<u>\$ 2,417,215</u>			



## RTSR Workform for Electricity Distributors (2013 Filers)

The purpose of this sheet is to update the re-align RTS Network Rates to recover forecast wholesale network costs.

Rate Class	Unit	Adjusted RTSR-Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Network
Residential	kWh	\$ 0.0081	167,060,607	-	\$ 1,356,221	43.1%	\$ 1,356,221	\$ 0.0081
General Service Less Than 50 kW	kWh	\$ 0.0072	57,331,699	-	\$ 413,066	13.1%	\$ 413,066	\$ 0.0072
General Service 50 to 4,999 kW	kW	\$ 2.4714	55,698,640	154,741	\$ 382,421	12.2%	\$ 382,421	\$ 2.4714
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.4514	94,475,518	262,469	\$ 643,409	20.5%	\$ 643,409	\$ 2.4514
Large Use	kW	\$ 1.7962	59,993,492	170,236	\$ 305,785	9.7%	\$ 305,785	\$ 1.7962
Unmetered Scattered Load	kWh	\$ 0.0072	1,182,642	-	\$ 8,521	0.3%	\$ 8,521	\$ 0.0072
Sentinel Lighting	kW	\$ 2.3017	894,240	2,462	\$ 5,667	0.2%	\$ 5,667	\$ 2.3017
Street Lighting	kW	\$ 2.2967	4,709,765	13,144	\$ 30,188	1.0%	\$ 30,188	\$ 2.2967
					<u>\$ 3,145,278</u>			



## RTSR Workform for Electricity Distributors (2013 Filers)

The purpose of this sheet is to update the re-aligned RTS Connection Rates to recover forecast wholesale connection costs.

Rate Class	Unit	Adjusted RTSR- Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Connection
Residential	kWh	\$ 0.0056	167,060,607	-	\$ 934,403	38.7%	\$ 934,403	\$ 0.0056
General Service Less Than 50 kW	kWh	\$ 0.0049	57,331,699	-	\$ 280,584	11.6%	\$ 280,584	\$ 0.0049
General Service 50 to 4,999 kW	kW	\$ 1.6808	55,698,640	154,741	\$ 260,082	10.8%	\$ 260,082	\$ 1.6808
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.0134	94,475,518	262,469	\$ 528,442	21.9%	\$ 528,442	\$ 2.0134
Large Use	kW	\$ 2.2357	59,993,492	170,236	\$ 380,593	15.8%	\$ 380,593	\$ 2.2357
Unmetered Scattered Load	kWh	\$ 0.0049	1,182,642	-	\$ 5,788	0.2%	\$ 5,788	\$ 0.0049
Sentinel Lighting	kW	\$ 1.5655	894,240	2,462	\$ 3,854	0.2%	\$ 3,854	\$ 1.5655
Street Lighting	kW	\$ 1.5621	4,709,765	13,144	\$ 20,532	0.9%	\$ 20,532	\$ 1.5621
					<u>\$ 2,414,279</u>			

# RTSR Workform for Electricity Distributors (2013 Filers)

For Cost of Service Applicants, please enter the following Proposed RTS rates into your rates model.

For IRM applicants, please enter these rates into the 2013 IRM Rate Generator, Sheet 11 "Proposed Rates", column I. Please note that the rate description for the RTSRs has been transferred to Sheet 11, Column A from Sheet 4.

Rate Class	Unit	Proposed RTSR Network	Proposed RTSR Connection
Residential	kWh	\$ 0.0081	\$ 0.0056
General Service Less Than 50 kW	kWh	\$ 0.0072	\$ 0.0049
General Service 50 to 4,999 kW	kW	\$ 2.4714	\$ 1.6808
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.4514	\$ 2.0134
Large Use	kW	\$ 1.7962	\$ 2.2357
Unmetered Scattered Load	kWh	\$ 0.0072	\$ 0.0049
Sentinel Lighting	kW	\$ 2.3017	\$ 1.5655
Street Lighting	kW	\$ 2.2967	\$ 1.5621

**APPENDIX C**

**2010 ANNUAL DISTRIBUTION CHARGE**

**BY RATE CLASS BY LDC**

# **Annual Distribution Bill Comparison - All LDCs 2012 Rates** (monthly charge and volumetric rate)

Utility	Residential		GS<50		GS>50		Large		Overall Ranking	Number of Customers
	800 kwh	% of Avg	2000 kwh	% of Avg	250 KW	% of Avg	10 MW	% of Avg		
Toronto Hydro (proposed 2012)	\$397.84	127.0%	\$903.64	146.5%	\$18,872.77	167.4%	\$613,803.96	180.1%	155.2%	700,386
Algoma	\$548.04	174.9%			\$15,279.24	135.5%			155.2%	11,612
CNP Fort Erie/Eastern	\$363.96	116.2%	\$794.16	128.8%	\$23,372.46	207.3%			150.7%	9,169
Norfolk	\$457.56	146.1%	\$968.88	157.1%	\$14,756.46	130.9%			144.7%	18,940
Haldimand County	\$471.36	150.5%	\$836.40	135.6%	\$15,659.22	138.9%			141.7%	20,971
Parry Sound	\$426.12	136.0%	\$707.76	114.8%	\$14,137.38	125.4%			125.4%	3,377
Waterloo North	\$355.20	113.4%	\$702.72	113.9%	\$15,093.30	133.9%	\$469,148.16	137.6%	124.7%	51,914
Hydro Ottawa	\$328.80	105.0%	\$678.12	109.9%	\$13,327.32	118.2%	\$558,921.84	164.0%	124.3%	300,664
Newmarket-Tay (2011)	\$313.80	100.2%	\$809.76	131.3%	\$15,333.24	136.0%			122.5%	32,911
Niagara Peninsula	\$340.80	108.8%	\$769.08	124.7%	\$14,694.90	130.3%			121.3%	51,048
CNP Port Colborne	\$398.04	127.1%	\$718.68	116.5%	\$13,508.40	119.8%			121.1%	6,463
Orillia	\$319.80	102.1%	\$807.48	130.9%	\$14,147.04	125.5%			119.5%	12,862
Enersource	\$256.68	81.9%	\$757.56	122.8%	\$13,451.52	119.3%	\$516,982.80	151.7%	118.9%	192,960
Niagara-on-the-Lake	\$341.52	109.0%	\$877.80	142.3%	\$11,584.38	102.7%			118.0%	7,882
Bluewater	\$346.08	110.5%	\$682.92	110.7%	\$12,389.10	109.9%	\$468,451.20	137.4%	117.1%	35,688
Whitby	\$343.80	109.7%	\$706.92	114.6%	\$14,130.90	125.3%			116.6%	39,669
Greater Sudbury	\$312.72	99.8%	\$705.00	114.3%	\$14,786.58	131.2%			115.1%	46,710
Embrun	\$285.48	91.1%	\$643.68	104.4%	\$16,497.60	146.3%			113.9%	1,958
EnWin	\$322.20	102.8%	\$695.88	112.8%	\$15,172.62	134.6%	\$355,769.52	104.4%	113.7%	84,866
Innisfil	\$411.12	131.2%	\$552.60	89.6%	\$12,772.98	113.3%			111.4%	14,707
Brant County	\$331.80	105.9%	\$632.64	102.6%	\$12,775.80	113.3%			107.3%	9,667
Oakville	\$292.92	93.5%	\$723.48	117.3%	\$12,394.56	109.9%			106.9%	62,674
Sioux Lookout	\$390.96	124.8%	\$714.12	115.8%	\$8,936.16	79.3%			106.6%	16,419
Kitchener-Wilmet	\$281.40	89.8%	\$601.68	97.6%	\$14,929.02	132.4%	\$337,568.04	99.0%	104.7%	86,611
PUC Distribution	\$251.64	80.3%	\$612.00	99.2%	\$15,031.08	133.3%			104.3%	32,870
London	\$289.92	92.5%	\$575.76	93.3%	\$8,379.42	74.3%	\$521,169.48	152.9%	103.3%	146,974
Wellington North (2011)	\$300.00	95.8%	\$622.56	100.9%	\$12,710.58	112.7%			103.1%	3,613
Halton Hills (proposed 2012)	\$302.40	96.5%	\$578.88	93.9%	\$13,366.08	118.6%			103.0%	20,790
Entegrus - Chatham	\$301.20	96.1%	\$674.28	109.3%	\$11,494.38	102.0%			102.5%	32,033
Horizon	\$311.64	99.5%	\$589.80	95.6%	\$9,677.22	85.8%	\$434,513.04	127.5%	102.1%	234,464
Festival - Main	\$338.40	108.0%	\$696.96	113.0%	\$9,545.58	84.7%	\$247,019.04	72.5%	101.9%	19,579
Kenora (proposed 2012)	\$357.12	114.0%	\$579.96	94.0%	\$11,005.38	97.6%			101.9%	5,580
Woodstock	\$365.16	116.6%	\$638.40	103.5%	\$9,631.74	85.4%			101.8%	15,074

Wasaga (2011)	\$282.96	90.3%	\$495.00	80.3%	\$14,617.08	129.6%				100.1%	12,046
Hydro 2000 (proposed 2012)	\$294.60	94.0%	\$728.40	118.1%	\$9,372.36	83.1%				98.4%	1,196
Lakeland	\$316.68	101.1%	\$641.40	104.0%	\$10,083.30	89.4%				98.2%	9,439
Renfrew	\$305.16	97.4%	\$686.28	111.3%	\$9,314.22	82.6%				97.1%	4,155
WestCoast Huron	\$347.04	110.8%	\$683.04	110.7%	\$10,030.68	89.0%	\$263,286.84	77.2%		96.9%	22,007
Orangeville	\$329.52	105.2%	\$639.72	103.7%	\$8,770.68	77.8%				95.6%	11,256
North Bay	\$294.96	94.2%	\$648.60	105.2%	\$9,616.50	85.3%				94.9%	23,754
Burlington	\$306.12	97.7%	\$631.32	102.4%	\$9,444.84	83.8%				94.6%	64,329
Midland	\$329.52	105.2%	\$550.32	89.2%	\$9,687.96	85.9%				93.4%	6,914
Essex	\$295.20	94.2%	\$669.48	108.5%	\$8,690.94	77.1%				93.3%	28,183
Cambridge North Dumfries	\$276.00	88.1%	\$444.72	72.1%	\$12,303.36	109.1%	\$351,166.80	103.0%		93.1%	50,890
Rideau St. Lawr. (proposed 2012)	\$300.24	95.8%	\$607.56	98.5%	\$9,284.28	82.3%				92.2%	5,818
Centre Wellington	\$289.44	92.4%	\$567.72	92.0%	\$10,317.00	91.5%				92.0%	19,196
Veridian	\$284.88	90.9%	\$573.72	93.0%	\$10,781.40	95.6%	\$300,977.04	88.3%		92.0%	112,569
St. Thomas	\$290.16	92.6%	\$561.00	91.0%	\$10,381.74	92.1%				91.9%	2,754
Milton	\$312.60	99.8%	\$596.28	96.7%	\$8,446.80	74.9%	\$304,622.40	89.4%		90.2%	29,142
Guelph	\$330.60	105.5%	\$482.40	78.2%	\$9,391.50	83.3%	\$283,051.44	83.0%		87.5%	50,250
Brantford	\$270.00	86.2%	\$453.72	73.6%	\$11,337.42	100.6%				86.8%	37,654
Oshawa	\$211.32	67.5%	\$493.92	80.1%	\$11,346.54	100.6%	\$336,712.44	98.8%		86.7%	52,710
Hydro One Brampton	\$255.24	81.5%	\$587.40	95.2%	\$8,614.14	76.4%	\$310,669.68	91.1%		86.1%	134,228
Lakefront	\$256.32	81.8%	\$469.20	76.1%	\$11,142.30	98.8%				85.6%	9,571
Tilksburg	\$281.16	89.7%	\$665.64	107.9%	\$6,656.16	59.0%				85.6%	6,700
Grimsby	\$292.68	93.4%	\$606.72	98.4%	\$7,061.76	62.6%				84.8%	10,151
Powerstream	\$273.48	87.3%	\$622.08	100.9%	\$11,524.20	102.2%	\$151,891.56	44.6%		83.7%	325,540
Welland	\$310.68	99.2%	\$506.40	82.1%	\$8,346.48	74.0%	\$260,977.68	76.6%		83.0%	21,411
Westario	\$272.40	87.0%	\$470.04	76.2%	\$9,593.70	85.1%				82.8%	3,770
COLLUS	\$271.20	86.6%	\$486.96	79.0%	\$9,288.24	82.4%				82.6%	15,533
Northern Ontario Wires	\$343.56	109.7%	\$608.40	98.6%	\$4,243.32	37.6%				82.0%	6,026
Erie Thames (2011)	\$291.24	93.0%	\$443.28	71.9%	\$5,931.30	52.6%	\$355,501.92	104.3%		80.4%	14,373
Kingston	\$289.08	92.3%	\$550.20	89.2%	\$9,088.56	80.6%	\$182,523.96	53.5%		78.9%	26,944
Peterborough	\$254.28	81.2%	\$574.80	93.2%	\$10,276.08	91.1%	\$164,217.48	48.2%		78.4%	35,012
Ottawa River	\$273.24	87.2%	\$520.92	84.5%	\$6,389.82	56.7%				76.1%	10,475
Thunder Bay	\$237.24	75.7%	\$526.08	85.3%	\$6,982.26	61.9%				74.3%	49,508
E.L.K. (2011)	\$209.40	66.8%	\$173.52	28.1%	\$13,736.28	121.8%				72.3%	11,205
Hearst	\$262.44	83.8%	\$396.84	64.3%	\$7,585.32	67.3%				71.8%	2,734
Entegrus - Middlesex	\$285.00	91.0%	\$338.16	54.8%	\$4,892.52	43.4%	\$51,040.80	15.0%		51.0%	7,859
Hydro Hawkesbury	\$148.20	47.3%	\$297.00	48.2%	\$5,796.18	51.4%				49.0%	5,496
<b>AVERAGE</b>	\$313.28		\$616.78		\$11,274.45		\$340,869.01				

Exhibit	Tab	Schedule	Appendix	Contents
<b>9 – Deferral and Variance Accounts</b>				
	<b>1</b>	<b>1</b>		<b>Overview</b>
		<b>2</b>		<b>Status of Deferral &amp; Variance Accounts</b>
		<b>3</b>		<b>Deferral &amp; Variance Accounts Requested</b>
		<b>4</b>		<b>Statement of Non Adjustment</b>
		<b>5</b>		<b>Breakdown of Energy Sales</b>
				<b>Appendices</b>
			<b>A</b>	<b>Deferral &amp; Variance Workform</b>

**DEFERRAL AND VARIANCE ACCOUNTS:**

**OVERVIEW**

The information contained in this exhibit includes the status and description of Welland Hydro's deferral and variance accounts, the proposed disposition of certain account balances, and the rate riders required for recovery or refund of the account balances.

Welland Hydro has already disposed of account 1562 in its 2012 IRM Rate Application. Smart Meter related accounts 1555 and 1556 (with the exception of Stranded Meters) were disposed of in Welland Hydro's 2012 Smart Meter Rate Application. A request was made for a separate rate rider for Stranded Meters in account 1555 as at December 31, 2012 in Exhibit 2, Tab 3, Schedule 6. The recovery for stranded meters is requested over a four year period in order to match the disposition of account 1575 (IFRS-CGAAP Transitional PP&E) over a four year period. The amount in account 1575 which is detailed in Exhibit 2, Tab 3, Schedule 5, Page 6 is treated as a reduction to depreciation expense. As a result, Stranded Meters Account 1555 and IFRS-CGAAP Transitional PP&E Account 1575 will not be addressed in this Exhibit.

**STATUS OF DEFERRAL AND VARIANCE ACCOUNTS:**

This Schedule contains the status of Deferral and Variance Accounts ("DVAs") currently used by Welland Hydro. Their balances as at December 31, 2011 and the proposed recovery amounts are summarized in Appendix A to this Exhibit. Interest amounts for the 2012 year and the months of January to April, 2013 have been calculated at the current rate of 1.47% per year for Deferral & Variance Accounts.

**GROUP 1 ACCOUNTS**

**1580 Retail Settlement Variance Account - Wholesale Market Service Charges**

This account is used to record the net of the amount charged by the IESO based on the settlement invoice for the operation of the IESO-administered markets and the operation of the IESO-controlled grid, and the amount billed to customers using the OEB-approved Wholesale Market Service Rate. Welland Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

For 2013, Welland Hydro is requesting disposition of the December 31, 2011 audited balance, less the 2012 IRM approved disposition amounts plus the forecasted interest through April 30, 2013 for account 1580. The requested amount is a credit of (\$428,097).

**1584 Retail Settlement Variance Account - Retail Transmission Network Charges**

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission network services, and the amount billed to customers using the OEB-approved Transmission Network Charge. Welland Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

For 2013, Welland Hydro is requesting disposition of the December 31, 2011 audited balance, less the 2012 IRM approved disposition amounts plus the forecasted interest through April 30, 2013 for account 1584. The requested amount is a debit of \$254,864.

**1586 Retail Settlement Variance Account - Retail Transmission Connection Charges**

This account is used to record the net of the amount charged by the IESO, based on the settlement invoice for transmission connection services, and the amount billed to customers using the OEB-approved Transmission Connection Charge. Welland Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

For 2013, Welland Hydro is requesting disposition of the December 31, 2011 audited balance, less the 2012 IRM approved disposition amounts plus the forecasted interest through April 30, 2013 for account 1586. The requested amount is a debit of \$138,240.

**1588 Retail Settlement Variance Account – Power**

This account is used to recover the net difference between the energy amount billed to customers and the energy charge to Welland Hydro using the settlement invoice from the Independent Electricity System Operator (IESO). Welland Hydro uses the accrual method. The variance between Board-approved and actual line losses is reflected in Account 1588 for the applicable period. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

For 2013, Welland Hydro is requesting disposition of the December 31, 2011 audited balance, less the 2012 IRM approved disposition amounts plus the forecasted interest through April 30, 2013 for account 1588 - Power. The requested amount is a debit of \$313,359.

**1589 Retail Settlement Variance Account - Power, Sub-account Global Adjustment (1588)**

This account is used to recover the net difference between the provincial benefit amount billed to customers and the global adjustment charge to Welland Hydro using the settlement invoice from the IESO. Welland Hydro uses the accrual method. The Board prescribed interest rates are used to calculate the carrying charges and the interest is recorded in a sub-account.

For 2013, Welland Hydro is requesting disposition of the December 31, 2011 audited balance, less the 2012 IRM approved disposition amounts plus the forecasted interest through April 30, 2013 for account 1588 sub account Global Adjustment through a separate non-RPP rate rider. The requested amount is a debit of \$117,944.

#### **1595 Disposition and Recovery of Regulatory Balances**

This account includes the regulatory asset or liability balances authorized by the Board for recovery in rates or payments/credits made to customers. Separate sub-accounts are maintained for expenses, interest, and recovery amounts for each year the Board has approved final disposition of Welland Hydro's Deferral & Variance accounts. Welland Hydro's 2009 Cost of Service application (EB-2008-0247) contained the final disposition of variance accounts in rate riders until April 30, 2011. Welland Hydro is requesting disposition of carrying charges related to these accounts in the amount \$6,730 credit (December 31, 2011 Audited amount). Final Deferral & Variance Accounts approved by the Board in Welland Hydro's 2011 IRM rate application will be removed from rates effective May 1, 2013. The carrying charges on these accounts will be disposed of in Welland Hydro's 2014 IRM rate application. Deferral and Variance accounts disposed of in the 2012 IRM Rate Application continue through April 30, 2014.

In Welland Hydro's 2010 IRM Rate Application (EB-2009-0252) the Board directed Welland Hydro to place \$32,927 (December 31, 2011 audited) in tax savings in a sub account of 1595 for disposition at a later date. Welland Hydro is requesting disposition of the principal and interest through April 30, 2013 in the amount of \$34,091 credit in this application.

#### **GROUP 2 ACCOUNTS**

##### **1508 Other Regulatory Assets - Sub-Account One Time IFRS Conversion Costs**

This account includes amounts paid for one-time costs related to the transition to IFRS through December 31, 2011. Filing Requirements Chapter 2 Appendices Module contains Appendix 2-U which is presented on the next page of this schedule.

- 1 The Deferred IFRS Transition Costs Account and the IFRS Transition Costs Variance Account are exclusively for necessary, incremental transition costs and shall not include ongoing IFRS compliance costs or impacts arising from adopting accounting policy changes that reflect changes in the timing of the recognition of income. The incremental costs in these accounts shall not include costs related to system upgrades, or replacements or changes where IFRS was not the major reason for conversion. In addition, incremental IFRS costs shall not include capital assets or expenditures.

Welland Hydro is requesting disposition of the December 31, 2011 audited balance plus the forecasted interest through April 30, 2013 for account 1508 – Sub-account One-Time IFRS Conversion Costs. The requested amount is a debit of \$46,162. As these costs are not finalized, Welland Hydro will continue to charge one-time IFRS conversion costs to this account in 2012 and forward. Welland Hydro has requested \$30,000 in base wages to upgrade the accounting assistant position to deal with IFRS related issues (fixed assets) on an ongoing basis in this rate application.

**1535 Smart Grid OM&A Deferral Account**

Welland Hydro is not requesting for disposition of the amounts in this account. As a result, Welland Hydro has left transactions in this account off of the Deferral and Variance Workform requiring an explanation of the \$62,788 reported on the December 31, 2011 RRR. The balances in this account are made up of the following audited amounts as of December 31, 2011:

Smart Grid OM&A Related Costs	\$35,163
Smart Grid OM&A Interest	\$ 718
LPP Class Action Settlement Assessment	\$74,532
LPP Class Action Recovery	(\$47,977)
LPP Class Action Interest	<u>\$ 352</u>
	\$62,788

The amounts related to LPP Class Action do not follow the Board's accounting for this account. Recoveries for the LPP Class Action Settlement were removed from rates on April 30, 2012. As a result, all amounts related to the LPP Class Action Settlement were transferred to account 6215 Penalties in June, 2012 resulting in a charge of \$2,604.

1 The remaining amount of \$35,881 related to Smart Grid OM&A accounts has not  
2 changed in 2012. Welland Hydro is currently reviewing amounts charged to this account  
3 before requesting disposition at a later date.  
4

5 **1592 PILs and Tax Variance/Harmonized Sales Tax ("HST") Deferral Account**

6 The Filing Requirements Chapter 2 Appendices Module included Appendix 2T which details  
7 audited amounts included in account 1592 as of December 31, 2011. This appendix was  
8 completed and can be seen in Exhibit 2, Tab 3, Schedule 7, Page 2. Welland Hydro only had  
9 amounts relating to Harmonized Sales Tax in this account totaling \$157,307 (principal only).

10 During the 2010 IRM application process, the Board directed electricity distributors to record in  
11 deferral account 1592 (PILs and Tax Variances, Sub-Account HST/OVAT Input Tax Credits  
12 ("ITCs"), beginning July 1, 2010, the incremental ITCs received on distribution revenue  
13 requirement items that were previously subject to PST and became subject to HST.

14 As discussed in Exhibit 2, Tab 3, Schedule 7 Welland Hydro has accrued amounts into this  
15 account since July, 2010 without an analysis of whether or not the expense was previously  
16 subject to PST to be conservative until a review could be done.

17 In December 2010, as part of its Frequently Asked Questions on the Accounting Procedures  
18 Handbook for electricity distributors, the Board provided accounting guidance on this matter  
19 and provided a simplified approach designed to facilitate administrative cost savings  
20 opportunities. Welland Hydro completed such a review in 2012 which is detailed in Exhibit 2,  
21 Tab 3, Schedule 7. The summary presented in Table 2.9 in Exhibit 2, Tab 3, Schedule 7, Page 7  
22 shows a cumulative amount of incremental ITCs in the amount of \$93,132 (Total OM&A and  
23 Capital). A total of 50% of the principal would be shared with customers which totals \$46,566  
24 credit. As a result, Welland Hydro has shown an entry to adjust account 1592 in the 2012  
25 Deferral & Variance schedule of \$110,741 credit. This amount is comprised of \$64,175 credit to  
26 reflect the proper ITC credit principle and \$46,566 credit to recognize a 50% shared savings with  
27 the customer. Welland Hydro is requesting disposition of the principal and interest though April

30, 2013 totaling \$48,825 credit. As Welland Hydro has included principle savings through April 30, 2013 in the total amount of \$93,132 no additional entries other than interest will be made in account 1592 relating to HST ITCs.

#### Summary

Total Group 1 & 2 Deferral and Variance Accounts requested for disposition total \$352,826. A summary of the resulting rate riders by customer class can be seen in Table 9.1 and 9.2 below. Calculations of the variances are included in the Deferral & Variance Workform in Appendix A attached.

Table 9.1 Rate Rider Calculation for Deferral/Variance Accounts Balances (excluding Global Adj)

Rate Class (Enter Rate Classes In cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1588 sub- account)	Rate Rider for Deferral/Variance Accounts	
Residential	kWh	160,995,683	\$ 90,503	0.0003	\$/kWh
General Service <50 kW	kWh	54,236,152	\$ 30,489	0.0003	\$/kWh
General Service 50 to 4,999 kW	kW	391,638	\$ 78,852	0.1007	\$/kW
Large Use	kW	168,534	\$ 33,242	0.0986	\$/kW
Unmetered Scattered Load	kWh	1,103,690	\$ 620	0.0003	\$/kWh
Sentinel Lights	kW	2,297	\$ 465	0.1011	\$/kW
Street Lights	kW	3,552	\$ 711	0.1001	\$/kW
<b>Total</b>			<b>\$ 234,882</b>		

Table 9.2 Rate Rider Calculation for RSVA-Power-Sub-Account-Global Adjustment

Rate Class (Enter Rate Classes In cells below)	Units	kW / kWh / # of Customers	Balance of RSVA - Power - Sub-	Rate Rider for RSVA - Power -	
Residential	kWh	19,899,066	\$ 11,158	0.0003	\$/kWh
General Service <50 kW	kWh	7,544,249	\$ 4,230	0.0003	\$/kWh
General Service 50 to 4,999 kW	kW	341,782	\$ 68,641	0.1004	\$/kW
Large Use	kW	168,534	\$ 33,159	0.0984	\$/kW
Unmetered Scattered Load	kWh	49,666	\$ 28	0.0003	\$/kWh
Sentinel Lights	kW	91	\$ 18	0.1009	\$/kW
Street Lights	kW	3,552	\$ 709	0.0998	\$/kW
<b>Total</b>			<b>\$ 117,944</b>		

1    **DEFERRAL AND VARIANCE ACCOUNTS REQUESTED**

2    Welland Hydro is requesting the continuation of the following existing deferral & variance  
3    account:

- 4        • Continuation of the 1508 Sub-account- IFRS Transition Costs account

5    Welland Hydro is requesting approval of a new deferral & variance account to deal with the  
6    impact of Retiree Future Benefits when converting from CGAAP to IFRS.

1    **Statement of Non Adjustment**

2    Welland Hydro has not made any adjustments to deferral and variance account balances that  
3    were previously approved by the Board on a final basis in both Cost of Service and IRM  
4    proceedings. Welland Hydro records interest on these final amounts up until the associated  
5    rate rider is removed from rates for disposition at a later date.

## Breakdown of Energy Sales

The break-down of energy sales and cost of power as reported in the 2010 and 2011 audited financial statements are included in Table 9.3 below. Welland Hydro can confirm for the Board that it does not make any profit or loss on commodity sales.

Table 9.3 Energy Sales and Power Costs

OEB No	OEB Account Name	2010 Actual	2011 Actual
<b>Sales of Electricity</b>			
4006	Residential Energy Sales	(9,982,632)	(11,169,195)
4010	Commercial Energy Sales	(250,080)	(12,621)
4015	Industrial Energy Sales	(109,535)	(5,577)
4020	Energy Sales to Large Users	(3,996,674)	(4,231,255)
4025	Street Lighting Energy Sales	(313,760)	(321,381)
4030	Sentinel Energy Sales	(61,848)	(27,411)
4035	General Energy Sales	(11,413,987)	(14,108,085)
4040	Other Energy Sales to Public Authorities		
4045	Energy Sales to Railroads and Railways		
4050	Revenue Adjustment	750,482	0
4055	Energy Sales for Resale	(3,267,563)	(1,503,447)
4060	IESO Smart Meter Charge	0	0
4062	WMS	(2,428,656)	(2,499,595)
4064	Billed WMS-One Time		
4066	NS	(2,592,593)	(2,587,666)
4068	CS	(2,231,182)	(2,187,967)
4075	LV Charges		
	Total Energy Sales	(35,898,028)	(38,654,200)
<b>Other Power Supply Expenses</b>			
4705	Power Purchased	28,645,597	31,383,158
4708	WMS	2,434,060	2,499,595
4710	Cost of Power Adjustments		
4712	IESO Smart Meter Charge	0	0
4714	NW	2,592,593	2,587,666
4715	System Control and Load Dispatching		
4716	NCN	2,231,182	2,187,967
4720	Other Expenses	(5,404)	(4,186)
4725	Competition Transition Expense		
4730	Rural Rate Assistance Expense		
4750	LV Charges		
	Total Power Supply Expenses	35,898,028	38,654,200

## **APPENDIX A**

### **2013 Deferral & Variance Workform**

# Deferral/Variance Account Workform for 2013 Filers

Version 2.0

Utility Name	Welland Hydro Electric System Corp.
Service Territory	(if applicable)
Assigned EB Number	EB-2012-0173
Name of Contact and Title	Wayne Armstrong
Phone Number	905-732-1381 Ext 234
Email Address	warmstrong@wellandhydro.com

## General Notes

1. Please ensure that your macros have been enabled. (Tools -> Macro -> Security)
2. Due to the time lag of deferral/variance account dispositions, this model assumes that all opening balances include previously disposed of amounts. Accordingly, all "Board Approved Dispositions" are deducted from the opening balance.
3. Please provide information in this model since the last time your balances were disposed.
4. For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

## Notes

Pale green cells represent input cells.

Pale blue cells represent drop-down lists. The applicant should select the appropriate item from the drop-down list.

White cells contain fixed values, automatically generated values or formulae.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of preparing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

Total of Group 1 and Group 2 Accounts (including 1562 and 1592)

2005										
Account Number	Account Descriptions	Opening Principal Amounts as of Jan-1-05	Transactions Debit/ (Credit) during 2005 excluding interest and adjustments <sup>1</sup>	Board-Approved Dispositions during 2005	Adjustments during 2005 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec-31-05	Adjustments during 2005 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-05
1521	Special Purpose Charge Assessment Variance Account <sup>8</sup>									
1568	LRAM Variance Account									
	Total including Account 1521 and Account 1568									
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>									
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>									
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>									
1556	Smart Meter OM&A Variance <sup>11</sup>									
1563	Deferred PILs Contra Account <sup>9</sup>									
1575	IFRS-GAAP Transition PP&E Amounts <sup>10</sup>									
1592	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OWAT Contra Account									
1595	Disposition and Recovery of Regulatory Balances <sup>7</sup>									

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

<sup>1</sup> Provide supporting statement indicating whether due to detail of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

<sup>2</sup> Adjustments instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2006 EDR and subsequent years as ordered by the Board. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentation.

<sup>3</sup> For R&VA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

<sup>4</sup> Please describe "other" components of 1508 and add more component lines if necessary.

<sup>5</sup> 1593 is a contra-account and is not included in the total but is shown on a memo basis. Account 1592 establishes the obligation to the ratepayer.

<sup>6</sup> If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

<sup>7</sup> Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, include the balances in Account 1595 on a memo basis only (line 85).

<sup>8</sup> As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit.

<sup>9</sup> By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1, 2011 will require a variance account for OCEB purposes... The Board expects that any principal balances in "Sub Account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be addressed through the monthly settlement process with the IESO or the host distributor, as applicable.

<sup>10</sup> The Board expects that requests for disposition of the balances in Account 1521 will be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would have resulted in non-compliance with the timeline set out in section 8 of the SPC regulation.

<sup>11</sup> Account 1575 shall not be cleared through the distributor's deferral and variance account rate rider. Account 1575 shall be cleared as an adjustment to the distributor's revenue requirement.

<sup>12</sup> Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account rate rider. For details on how to dispose of balances in Smart Meter accounts see the Board's Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)



Deferral/Variance Account for 2013

Account Number	Account Descriptions	Opening Principal Amounts as of Jan-1-06	Transactions Debit/ (Credit) during 2006 excluding interest and adjustments <sup>1</sup>	Board-Approved Disposition during 2006 <sup>1,1A</sup>	Adjustments during 2006 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest-Jan-1 to Dec-31-06	Board-Approved Disposition during 2006 <sup>1,1A</sup>	Adjustments during 2006 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-06
<b>Group 1 Accounts</b>											
1550	LV Variance Account	\$				\$	\$				\$
1580	RSVA - Wholesale Market Service Charge	\$				\$	\$				\$
1584	RSVA - Retail Transmission Network Charge	\$				\$	\$				\$
1586	RSVA - Retail Transmission Connection Charge	\$				\$	\$				\$
1588	RSVA - Power (excluding Global Adjustment)	\$				\$	\$				\$
1589	RSVA - Power - Sub-account - Global Adjustment	\$				\$	\$				\$
1590	Recovery of Regulatory Asset Balances	\$				\$	\$				\$
1595	Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>	\$				\$	\$				\$
1595	Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	\$				\$	\$				\$
1595	Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	\$				\$	\$				\$
1588	<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>	\$				\$	\$				\$
	<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>	\$				\$	\$				\$
	<b>RSVA - Power - Sub-account - Global Adjustment</b>	\$				\$	\$				\$
<b>Group 2 Accounts</b>											
1508	Other Regulatory Assets - Sub-Account - OEB Cost Assessments	\$				\$	\$				\$
1508	Other Regulatory Assets - Sub-Account - Pension Contributions	\$				\$	\$				\$
1508	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	\$				\$	\$				\$
1508	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	\$				\$	\$				\$
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>	\$				\$	\$				\$
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	\$				\$	\$				\$
1508	Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	\$				\$	\$				\$
1518	Retail Cost Variance Account - Retail	\$				\$	\$				\$
1525	Misc. Deferred Debts	\$				\$	\$				\$
1531	Renewable Generation Connection Capital Deferral Account	\$				\$	\$				\$
1532	Renewable Generation Connection OM&A Deferral Account	\$				\$	\$				\$
1533	Renewable Generation Connection Funding Adder Deferral Account	\$				\$	\$				\$
1534	Smart Grid Capital Deferral Account	\$				\$	\$				\$
1535	Smart Grid OM&A Deferral Account	\$				\$	\$				\$
1536	Smart Grid Funding Adder Deferral Account	\$				\$	\$				\$
1546	Retail Cost Variance Account - STR	\$				\$	\$				\$
1567	Board-Approved CDM Variance Account	\$				\$	\$				\$
1572	Extra-Ordinary Event Costs	\$				\$	\$				\$
1574	Deferred Rate Impact Amounts	\$				\$	\$				\$
1592	PLTs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/IOVAT	\$				\$	\$				\$
2425	Input Tax Credits (ITCs)	\$				\$	\$				\$
	Other Deferred Credits	\$				\$	\$				\$
	<b>Group 2 Sub-Total</b>	\$				\$	\$				\$
1562	Deferred Payments in Lieu of Taxes	\$				\$	\$				\$
1592	PLTs and Tax Variance for 2006 and Subsequent Years (includes sub-account and other account below)	\$				\$	\$				\$
1592	PLTs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/IOVAT	\$				\$	\$				\$
	Input Tax Credits (ITCs)	\$				\$	\$				\$
	<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>	\$				\$	\$				\$

## 2006

Account Descriptions		2006									
Account Number		Ongoing Principal Amounts as of Jan-06	Transactions Debit/ (Credit) during 2006 (excluding interest and adjustments) <sup>1</sup>	Board-Approved Depreciation during 2006 <sup>1,1A</sup>	Adjustments during 2006 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-06	Ongoing Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Board-Approved Depreciation during 2006 <sup>1,1A</sup>	Adjustments during 2006 - other <sup>2</sup>	Closing Interest Amount as of Dec-31-06
	Special Purpose Charge Assessment Variance Account <sup>3</sup>										
1521		\$ -	\$ -	\$ -	\$ -	\$ 53,774	\$ -	\$ -	\$ -	\$ 31,508	\$ 31,508
1568	LRAIM Variance Account										
	Total Including Account 1521 and Account 1568	\$ -	\$ -	\$ -	\$ -	\$ 53,774	\$ -	\$ -	\$ -	\$ 31,508	\$ 31,508
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -
1556	Smart Meter OM&A Variance <sup>11</sup>	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -
	The following is not included in the total claim but are included on a memo basis:										
1563	Deferred PILS Contra Account <sup>5</sup>	\$ -		\$ -	\$ -	\$ 53,774	\$ -	\$ -	\$ -	\$ 31,508	\$ 31,508
1575	IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -
1582	PILS and Tax Variance for 2006 and Subsequent Years <sup>*</sup>	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -
	Sub-Account HST/OVAT Contra Account	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -
1595	Recognition and Recovery of Revaluation Balances <sup>7</sup>	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. negative figure) as per the related Board decision.

Provide supporting statement indicating whether due to dental of costs in 2006 EDR by the Board, 10% transition costs writ

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disbursements instructed by the board include different bank account balances moved to Account 1 used as a result of the adjustments.

Please describe "other" components of 1508 and add more component lines if necessary.

Please describe other components of 1553 and note any important issues (if necessary). Account 1553 establishes the obligation of the contractor to pay for the cost of the contract. Account 1553 is a contra-account and is not included in the total but is shown on a memo basis. Account 1553 establishes the obligation of the contractor to pay for the cost of the contract.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012.

Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January

include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) was approved by the Board in the 2012 Fall Council.

income Account, 1980 as part of group 1 accounts (lines 31, 32, and 33) for review and disposition if the recovery of an earlier balance in Account 1980 on a memo basis only (line 65).

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit.

"By way of exception... The Board does advocate that licensed distributors that cannot adapt their invoices as of January 1

balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be

The Board expected that requests for disposition of the balances in Account 1521 were to be addressed as part of the process non-compliance with the timeline set out in section 8 of the SPC regulation.

Account 1575 shall not be cleared through the distributor's deferral and variance account rate rider. Account 1575 shall be

Deferral accounts related to Smart Meter deployment are not to be recovered/funded through the Deferral and Variance A

Guideline: Smart Meter Disruption and Cost Recovery (G-2011-30011)



Account Number	Account Descriptions	Opening Principal Amounts as of Jan-1-07	Transactions Debit/(Credit) during 2007 excluding interest and adjustments <sup>3</sup>	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-07
<b>Group 1 Accounts</b>											
1550	LV Variance Account	\$ -				\$ -	\$ -				\$ -
1580	RSVA - Wholesale Market Service Charge	\$ -				\$ -	\$ -				\$ -
1584	RSVA - Retail Transmission Network Charge	\$ -				\$ -	\$ -				\$ -
1586	RSVA - Retail Transmission Connection Charge	\$ -				\$ -	\$ -				\$ -
1588	RSVA - Power (excluding Global Adjustment)	\$ -				\$ -	\$ -				\$ -
1588	RSVA - Power - Sub-account - Global Adjustment	\$ -				\$ -	\$ -				\$ -
1590	Recovery of Regulatory Asset Balances	\$ -				\$ -	\$ -				\$ -
1595	Disposition and Recovery/Refund of Regulatory Balances (2006) <sup>1</sup>	\$ -				\$ -	\$ -				\$ -
1595	Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>1</sup>	\$ -				\$ -	\$ -				\$ -
1595	Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>1</sup>	\$ -				\$ -	\$ -				\$ -
1588	<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>	\$ -				\$ -	\$ -				\$ -
1588	<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>	\$ -				\$ -	\$ -				\$ -
1588	<b>RSVA - Power - Sub-account - Global Adjustment</b>	\$ -				\$ -	\$ -				\$ -
<b>Group 2 Accounts</b>											
1508	Other Regulatory Assets - Sub-Account - OEB Cost Assessments	\$ -				\$ -	\$ -				\$ -
1508	Other Regulatory Assets - Sub-Account - Pension Contributions	\$ -				\$ -	\$ -				\$ -
1508	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	\$ -				\$ -	\$ -				\$ -
1508	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	\$ -				\$ -	\$ -				\$ -
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>4</sup>	\$ -				\$ -	\$ -				\$ -
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	\$ -				\$ -	\$ -				\$ -
1508	Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	\$ -				\$ -	\$ -				\$ -
1518	Retail Cost Variance Account - Retail	\$ -				\$ -	\$ -				\$ -
1525	Misc. Deferred Debits	\$ -				\$ -	\$ -				\$ -
1531	Renewable Generation Connection Capital Deferral Account	\$ -				\$ -	\$ -				\$ -
1532	Renewable Generation Connection OM&A Deferral Account	\$ -				\$ -	\$ -				\$ -
1533	Renewable Generation Connection Funding Adder Deferral Account	\$ -				\$ -	\$ -				\$ -
1534	Smart Grid Capital Deferral Account	\$ -				\$ -	\$ -				\$ -
1535	Smart Grid OM&A Deferral Account	\$ -				\$ -	\$ -				\$ -
1536	Smart Grid Funding Adder Deferral Account	\$ -				\$ -	\$ -				\$ -
1567	Retail Cost Variance Account - STR	\$ -				\$ -	\$ -				\$ -
1572	Board-Approved CDM Variance Account	\$ -				\$ -	\$ -				\$ -
1574	Extra-Ordinary Event Costs	\$ -				\$ -	\$ -				\$ -
1592	Deferred Rate Impact Amounts	\$ -				\$ -	\$ -				\$ -
2425	PIUs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/ONAT	\$ -				\$ -	\$ -				\$ -
2425	Input Tax Credits (ITCs)	\$ -				\$ -	\$ -				\$ -
2425	Other Deferred Credits	\$ -				\$ -	\$ -				\$ -
1592	<b>Group 2 Sub-Total</b>	\$ 53,774				\$ 53,774	\$ 31,508	\$ 2,542			\$ 25,966
1592	Deferred Payments in Lieu of Taxes	\$ -				\$ -	\$ -				\$ -
1592	PIUs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	\$ -				\$ -	\$ -				\$ -
1592	PIUs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/ONAT	\$ -				\$ -	\$ -				\$ -
1592	Input Tax Credits (ITCs)	\$ -				\$ -	\$ -				\$ -
	<b>Total of Group 1 and Group 2 Accounts (including 1582 and 1592)</b>	\$ 53,774				\$ 53,774	\$ 31,508	\$ 2,542			\$ 25,966

Account Number	Account Descriptions	Operating Principal Amounts as of Jan-1-07	Transactions Debit/Credit during 2007 excluding interest and adjustments <sup>9</sup>	Board-Approved Dispositions during 2007	Adjustments during 2007 - other <sup>10</sup>	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Dispositions during 2007	Adjustments during 2007 - other <sup>11</sup>	Closing Interest Amounts as of Dec-31-07
1521	Special Purpose Charge Assessment Variance Account <sup>2</sup>										
1568	LRAM Variance Account										
	Total including Account 1521 and Account 1568	\$ -	\$ -	\$ -	\$ -	\$ 53,774	\$ 31,508	\$ 2,542	\$ -	\$ -	\$ 28,968
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	\$ -				\$ -	\$ -				\$ -
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	\$ -				\$ -	\$ -				\$ -
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	\$ -				\$ -	\$ -				\$ -
1556	Smart Meter OM&A Variance <sup>11</sup>	\$ -				\$ -	\$ -				\$ -
	The following is not included in the total claim but are included on a memo basis:										
1563	Deferred PILs Contra Account <sup>3</sup>	\$ 53,774				\$ 53,774	\$ 31,508	\$ 2,542			\$ 28,968
1575	IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	\$ -				\$ -	\$ -				\$ -
1582	PILs and Tax Variance for 2008 and Subsequent Years - Sub-Account HST/0VAT Contra Account	\$ -				\$ -	\$ -				\$ -
1595	Disposition and Recovery of Regulatory Balances <sup>7</sup>	\$ -				\$ -	\$ -				\$ -

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. negative figure) as per the related Board decision.

Provide supporting statement indicating whether due to denial of costs in 2008 EDR by the Board, 10% transition costs will

Adjustments instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the

For RIVA accounts only, report the net variance to the account during the year. For all other accounts, record the transfer

Please describe "other" components of 1508 and add more component lines if necessary

1568 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the oblig

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31

Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from Ja

balances approved by the Board in the 2012 rate decision.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or return

balances in Account 1595 on a memo basis only (line 85).

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1

balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be

The Board expects that requests for disposition of the balances in Account 1521 were to be addressed as part of the proc

non-compliance with the timeline set out in section 8 of the SPC regulation.

Account 1575 shall not be cleared through the distributor's deferral and variance account rate rider. Account 1575 shall be

Deferred accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance A

Guideline, Smart Meter Disposition and Cost Recovery (G-2011-0001)



## Deferral/Variance Ac for 2013

2008											
Account Number	Account Descriptions	Opening Principal Amounts as of Jan-1-08	Transactions Debit/(Credit) during 2008 excluding interest and adjustments <sup>1</sup>	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-08
Group 1 Accounts											
1550	LV Variance Account	\$ -	\$ -	\$ -	\$ 1,143,844	\$ 1,143,844	\$ -	\$ -	\$ -	\$ 56,438	\$ 56,438
1580	RSVA - Wholesale Market Service Charge	\$ -	\$ -	\$ -	\$ 160,405	\$ 160,405	\$ -	\$ -	\$ -	\$ 41,023	\$ 41,023
1584	RSVA - Retail Transmission Network Charge	\$ -	\$ -	\$ -	\$ 44,302	\$ 44,302	\$ -	\$ -	\$ -	\$ 14,930	\$ 14,930
1586	RSVA - Retail Transmission Connection Charge	\$ -	\$ -	\$ -	\$ 1,177,024	\$ 1,177,024	\$ -	\$ -	\$ -	\$ 47,845	\$ 47,845
1588	RSVA - Power (excluding Global Adjustment)	\$ -	\$ -	\$ -	\$ 356,185	\$ 356,185	\$ -	\$ -	\$ -	\$ 33,901	\$ 33,901
1588	RSVA - Power - Sub-account - Global Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1590	Recovery of Regulatory Asset Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1595	Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1595	Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1595	Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1595	Disposition and Recovery/Refund of Regulatory Balances (2011) <sup>7</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1588	Group 1 Sub-Total (including Account 1588 - Global Adjustment)	\$ -	\$ -	\$ -	\$ 1,760,778	\$ 1,760,778	\$ -	\$ -	\$ -	\$ 82,231	\$ 82,231
1588	Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)	\$ -	\$ -	\$ -	\$ 2,116,961	\$ 2,116,961	\$ -	\$ -	\$ -	\$ 48,330	\$ 48,330
1588	RSVA - Power - Sub-account - Global Adjustment	\$ -	\$ -	\$ -	\$ 356,185	\$ 356,185	\$ -	\$ -	\$ -	\$ 33,901	\$ 33,901
Group 2 Accounts											
1508	Other Regulatory Assets - Sub-Account - OEB Cost Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Pension Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1518	Retail Cost Variance Account - Retail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1525	Misc. Deferred Debits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1531	Renewable Generation Connection Capital Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1532	Renewable Generation Connection OM&A Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1533	Renewable Generation Connection Funding Adder Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1534	Smart Grid Capital Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1535	Smart Grid OM&A Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1536	Smart Grid Funding Adder Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1548	Retail Cost Variance Account - STR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1567	Board-Approved CDM Variance Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1572	Extra-Ordinary Event Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1574	Deferred Rate Impact Amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1592	PIEs and Tax Variance for 2006 and Subsequent Years - Sub-Account HISTOVAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2425	Input Tax Credits (ITCs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2425	Other Deferred Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1592	Group 2 Sub-Total	\$ 53,774	\$ -	\$ -	\$ -	\$ 53,774	\$ 28,966	\$ 2,140	\$ -	\$ -	\$ 26,826
1592	Deferred Payments in Lieu of Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1592	PIEs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1592	PIEs and Tax Variance for 2006 and Subsequent Years - Sub-Account HISTOVAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1592	Input Tax Credits (ITCs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	Total of Group 1 and Group 2 Accounts (including 1562 and 1592)	\$ 53,774	\$ -	\$ -	\$ 1,760,778	\$ 1,814,560	\$ 28,966	\$ 2,140	\$ -	\$ 82,231	\$ 55,405

Account Number	Account Descriptions	Opening Principal Amounts as of Jan-1-08	Transactions Debit/ (Credit) during 2008 excluding interest and adjustments <sup>3</sup>	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>4</sup>	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-08
1621	Special Purpose Charge Assessment Variance Account <sup>6</sup>	\$ 53,774	\$ -	\$ -	\$ 1,760,776	\$ 1,814,550	\$ 28,966	\$ -	\$ 2,140	\$ -	\$ 55,405
1568	LRAM Variance Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1555	Total including Account 1621 and Account 1568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1556	Smart Meter OMBL Variance <sup>11</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1563	The following is not included in the total claim but are included on a memo basis:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1575	Deferred PILs Contra Account <sup>5</sup>	\$ 53,774	\$ -	\$ -	\$ -	\$ 53,774	\$ 28,966	\$ 2,140	\$ -	\$ -	\$ 26,226
1575	IFRS-CGAP Transition PP&E Amounts <sup>10</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1582	PILs and Tax Variances for 2008 and Subsequent Years - Sub-Account HST/OVAT Contra Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1595	Disposition and Recovery of Regulatory Balances <sup>7</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (a negative figure) as per the related Board decision.

Provide supporting statement indicating whether due to detail of costs in 2008 EDR by the Board, 10% transition costs will

Adjustments instructed by the Board include deferral variance account balances moved to Account 1560 as a result of the

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispo

For RSA accounts only, report the net variance to the account during the year. For all other accounts, record the transac

Please describe "other" components of 1590 and add more component lines if necessary.

1593 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the oblig

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December ;

Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from Ja

balances approved by the Board in the 2012 rate decision.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund

balances in Account 1595 on a memo basis only (line 95).

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception, The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1

balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be

The Board expects that requests for disposition of the balances in Account 1521 were to be addressed as part of the proo

non-compliance with the timeline set out in section 8 of the SPC regulation.

Account 1575 shall not be deemed through the distributor's deferral and variance account rate rider. Account 1575 shall be

Deferred accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance A

Guidelines, Smart Meter Disposition and Cost Recovery (C-2011-0001)

# Deferral/Variance Account for 2013

2009											
Account Number	Account Descriptions	Opening Principal Amounts as of Jan-1-09	Transactions Debit/ (Credit) during 2009 excluding interest and adjustments <sup>1</sup>	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-09
<b>Group 1 Accounts</b>											
1550	LV Variance Account										
1580	RSVA - Wholesale Market Service Charge	\$ 1,143,844	\$ 81,976	\$ 888,191		\$ 357,629	\$ -	\$ 10,188	\$ 57,977		\$ 8,649
1584	RSVA - Retail Transmission Network Charge	\$ 160,405	\$ 170,346	\$ 392,002		\$ 402,543	\$ 41,023	\$ 147	\$ 50,431		\$ 9,281
1586	RSVA - Retail Transmission Connection Charge	\$ 44,302	\$ 150,652	\$ 174,980		\$ 321,330	\$ 14,930	\$ 600	\$ 18,942		\$ 4,612
1588	RSVA - Power (excluding Global Adjustment)	\$ 1,177,824	\$ 183,764	\$ 903,150		\$ 438,438	\$ 47,845	\$ 12,335	\$ 62,583		\$ 2,413
1588	RSVA - Power - Sub-account - Global Adjustment	\$ 356,185	\$ 615,500			\$ 971,685	\$ 33,901	\$ 4,528			\$ 29,372
1590	Recovery of Regulatory Asset Balances										
1595	Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>			\$ 799,802		\$ 684,963		\$ 2,763			\$ 2,763
1595	Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>										
1595	Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>										
1588	Group 1 Sub-Total (including Account 1588 - Global Adjustment)	\$ 1,760,776	\$ 143,601	\$ 403,957		\$ 1,213,218	\$ 82,231	\$ 21,210	\$ 51,197		\$ 52,244
1588	Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)	\$ 2,116,961	\$ 471,889	\$ 403,957		\$ 2,184,903	\$ 48,330	\$ 25,730	\$ 51,197		\$ 22,872
1588	RSVA - Power - Sub-account - Global Adjustment	\$ 356,185	\$ 615,500			\$ 971,685	\$ 33,901	\$ 4,528			\$ 29,372
<b>Group 2 Accounts</b>											
1508	Other Regulatory Assets - Sub-Account - OEB Cost Assessments										
1508	Other Regulatory Assets - Sub-Account - Pension Contributions										
1508	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs										
1508	Other Regulatory Assets - Sub-Account - Incremental Capital Charges										
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>										
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges										
1508	Other Regulatory Assets - Sub-Account - Other <sup>4</sup>										
1518	Retail Cost Variance Account - Retail										
1525	Misc. Deferred Debits										
1531	Renewable Generation Connection Capital Deferral Account										
1532	Renewable Generation Connection OMA Deferral Account										
1533	Renewable Generation Connection Funding Adder Deferral Account										
1534	Smart Grid Capital Deferral Account										
1535	Smart Grid OMA Deferral Account										
1536	Retail Cost Variance Account - STR										
1548	Board-Approved CDM Variance Account										
1567	Extra-Ordinary Event Costs										
1572	Deferred Rate Impact Amounts										
1574	PIIs and Tax Variance for 2006 and Subsequent Years - Sub-Account HISTOVAT										
1592	Input Tax Credits (ITCs)										
2425	Other Deferred Credits										
	Group 2 Sub-Total	\$ 53,774	\$ 19,588	\$ -	\$ -	\$ 19,588	\$ -	\$ 17	\$ -	\$ -	\$ 17
1552	Deferred Payments in Lieu of Taxes										
1592	PIIs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)										
1592	PIIs and Tax Variance for 2006 and Subsequent Years - Sub-Account HISTOVAT										
1592	Input Tax Credits (ITCs)										
	Total of Group 1 and Group 2 Accounts (including 1562 and 1592)	\$ 1,814,550	\$ 163,199	\$ 403,957	\$ -	\$ 1,247,394	\$ 55,405	\$ 21,805	\$ 51,197	\$ -	\$ 26,013

2009		Account Number	Account Descriptions	Opening Principal Amounts as of Jan-1-09	Transactions Debit/(Credit) during 2009 excluding interest and adjustments <sup>1</sup>	Board-Approved Dispositions during 2009	Adjustments during 2009 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-09	Operating Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Dispositions during 2009	Adjustments during 2009 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-09
Special Purpose Charge Assessment Variance Account <sup>6</sup>		1521		\$ 1,614,950	\$ 163,199	\$ -	\$ 403,957	\$ 1,247,394	\$ 55,405	\$ 21,805	\$ -	\$ -	\$ 26,013
LRAM Variance Account		1568											
Total including Account 1521 and Account 1568													
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>		1555											
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>		1555											
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>		1555											
Smart Meter OM&A Variance <sup>11</sup>		1556											
The following is not included in the total claim but are included on a memo basis:													
Deferred PILs Contra Account <sup>5</sup>		1553		\$ 53,774				\$ 53,774	\$ 26,829	\$ 612			\$ 25,214
IFRS-CGAP Transition PRAE Amounts <sup>10</sup>		1575											
PILs and Tax Variances for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account		1582											
Disposition and Recovery of Regulatory Balances <sup>7</sup>		1595											

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (i.e. negative figure) as per the related Board decision.

Provide supporting statement indicating whether due to denial of costs in 2009 EDR by the Board, 10% transition costs w/ Adjustments instructed by the Board include deferral/advance account balances moved to Account 1590 as a result of the Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved Dispositions For RSA accounts only, report the net variance to the account during the year. For all other accounts, record the transfer Please describe "other" components of 1590 and add more component lines if necessary.

1553 is a contra-account and is not included in the total but is shown on a memo basis. Account 1552 establishes the odd If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December ; Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from Jan balances approved by the Board in the 2012 rate decision.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund balances in Account 1595 on a memo basis only (line 95).

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit: "By way of exception, The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1 balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act" will be The Board expected that requests for disposition of the balances in Account 1521 were to be addressed as part of the proc non-compliance with the timeline set out in section 8 of the SPC regulation.

Account 1575 shall not be cleared through the distributor's deferral and variance account rate rider. Account 1575 shall be Deferral accounts related to Smart Meter deployment are not to be recommended/recovered through the Deferral and Variance / Guidelines: Smart Meter Deployment and Cost Recovery (02-2011-0001)

# Deferral/Variance AC for 2013

		2010									
Account Number	Account Descriptions	Opening Principal Amounts as of Jan-1-10	Transactions Debit/ (Credit) during 2010 excluding interest and adjustments <sup>1</sup>	Board-Approved Disposition during 2010	Adjustments during 2010 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-10
Group 1 Accounts											
1550	LV Variance Account										
1580	RSVA - Wholesale Market Service Charge	357,629	518,121	275,852		600,098	8,649	3,476	9,166		2,559
1584	RSVA - Retail Transmission Network Charge	402,543	92,725	232,197		263,071	9,261	2,348	9,246		2,363
1586	RSVA - Retail Transmission Connection Charge	321,330	63,995	130,678		254,647	4,612	2,125	4,298		2,439
1588	RSVA - Power (excluding Global Adjustment)	438,438	8,602	274,674		155,162	2,413	4,179	3,769		5,535
1588	RSVA - Power - Sub-account - Global Adjustment	971,695	750,482	356,185		134,982	29,372	2,749	29,230		2,807
1590	Recovery of Regulatory Asset Balances										
1595	Disposition and Recovery/Refund of Regulatory Balances (2008) <sup>7</sup>										
1595	Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	664,963	486,391	21,951		178,572	2,763	3,324			6,087
1595	Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>							69			69
	Group 1 Sub-Total (including Account 1588 - Global Adjustment)	1,213,218	930,330	535,065		1,608,483	52,244	12,772	48,171		16,845
	Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)	2,184,903	179,848	891,250		1,473,501	22,872	15,521	18,941		19,452
1588	RSVA - Power - Sub-account - Global Adjustment	971,695	750,482	356,185		134,982	29,372	2,749	29,230		2,807
Group 2 Accounts											
1508	Other Regulatory Assets - Sub-Account - OEB Cost Assessments										
1508	Other Regulatory Assets - Sub-Account - Pension Contributions										
1508	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	19,598	5,075			24,673	17	190			207
1508	Other Regulatory Assets - Sub-Account - Incremental Capital Charges										
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>										
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges										
1508	Other Regulatory Assets - Sub-Account - Other <sup>4</sup>										
1518	Retail Cost Variance Account - Retail										
1525	Misc. Deferred Debits										
1531	Renewable Generation Connection Capital Deferral Account										
1532	Renewable Generation Connection OM&A Deferral Account										
1533	Renewable Generation Connection Funding Adder Deferral Account										
1534	Smart Grid Capital Deferral Account										
1535	Smart Grid OM&A Deferral Account										
1536	Smart Grid Funding Adder Deferral Account										
1548	Retail Cost Variance Account - STR										
1567	Board-Approved CDM Variance Account										
1572	Extra-Ordinary Event Costs										
1574	Deferred Rate Impact Amounts										
1592	PIIs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/ONAT		38,244			38,244					
2425	Input Tax Credits (ITCs)										
	Other Deferred Credits										
	Group 2 Sub-Total	19,598	33,169			13,571	17	190			207
1592	Deferred Payments in Lieu of Taxes										
1592	PIIs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	53,774				53,774	26,214	429			25,785
1592	PIIs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/ONAT										
	Input Tax Credits (ITCs)										
	Total of Group 1 and Group 2 Accounts (including 1562 and 1592)	1,247,394	983,499	535,065		1,675,828	26,013	13,011	48,171		9,147

# 2010

Account Number	Account Descriptions	Opening Principal Amounts as of Jan-1-10	Transactions Debit/ (Credit) during 2010 excluding interest and adjustments <sup>2</sup>	Board-Approved Disposition during 2010	Adjustments during 2010 - other <sup>2</sup>	Closing Principal Balance as of Dec-31-10	Operating Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-10
1521	Special Purpose Charge Assessment Variance Account <sup>8</sup>			181,409		89,152		510			510
1568	LRAM Variance Account										
	Total Including Account 1521 and Account 1568										
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>										
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>										
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>										
1556	Smart Meter OMBE Variance <sup>11</sup>										
	The following is not included in the total claim but are included on a memo basis:										
1563	Deferred PILs Contra Account <sup>9</sup>										
1575	IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>										
1582	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account										
1585	Disposition and Recovery of Regulatory Balances <sup>7</sup>										

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (i.e. negative figure) as per the related Board decision.

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs will be included in the 2010 rate decision. If the adjustment relates to previously Board Approved dispositions, please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please describe "other" components of 1598 and add more component lines if necessary.

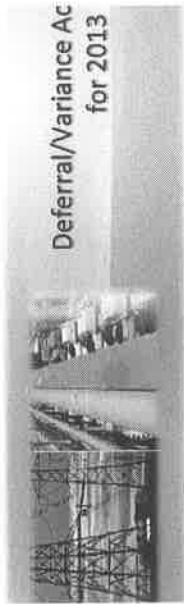
1593 is a contra-account and is not included in the total but is shown on a memo basis. Account 1592 establishes the obligation for the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to December 31, 2012.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) balances in Account 1595 on a memo basis only (line 85).

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception, the Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1, 2011, to reflect the Ontario Clean Energy Benefit, will be required to include the Ontario Clean Energy Benefit in their invoices. The Board expects that requests for disposition of the balances in Account 1521 will be addressed as part of the process to ensure compliance with the timeline set out in section 8 of the SPC regulation.

Account 1575 shall not be cleared through the distributor's deferral and variance account rate rider. Account 1575 shall be used for deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account. Smart Meter Disposition and Cost Recovery (C-2011-0001)



## Deferral/Variance Account for 2013

2011														
Account Number	Account Descriptions	Opening Principal Amounts as of Jan-1-11	Transactions Debit/ (Credit) during 2011 excluding interest and adjustments <sup>1</sup>	Board-Approved Disposition during 2011	Other <sup>2</sup> Adjustments during Q1 2011	Other <sup>2</sup> Adjustments during Q2 2011	Other <sup>2</sup> Adjustments during Q3 2011	Other <sup>2</sup> Adjustments during Q4 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Dec-31-11	Board-Approved Disposition during 2011	Adjustments during 2011 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-11
Group 1 Accounts														
1550	LV Variance Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1550	RSVA - Wholesale Market Service Charge	\$ 600,098	\$ 415,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,015,748	\$ 2,959	\$ 12,028	\$ -	\$ -	\$ 14,985
1550	RSVA - Retail Transmission Network Charge	\$ 253,071	\$ 249,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,821	\$ 2,363	\$ 2,655	\$ -	\$ -	\$ 5,021
1550	RSVA - Retail Transmission Connection Charge	\$ 251,647	\$ 145,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,097	\$ 2,439	\$ 3,248	\$ -	\$ -	\$ 5,685
1550	RSVA - Power (excluding Global Adjustment)	\$ 155,162	\$ 300,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,673	\$ 5,535	\$ 1,486	\$ -	\$ -	\$ 7,021
1550	RSVA - Sub-account - Global Adjustment	\$ 134,982	\$ 112,037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,945	\$ 2,607	\$ 1,974	\$ -	\$ -	\$ 4,581
1550	Recovery of Regulatory Asset Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1595	Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	\$ 178,572	\$ 178,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,087	\$ 643	\$ -	\$ -	\$ 6,730
1595	Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>	\$ 21,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,927	\$ 69	\$ 450	\$ -	\$ -	\$ 519
1595	Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1595	Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>	\$ 1,608,483	\$ 566,594	\$ 10,976	\$ -	\$ -	\$ -	\$ -	\$ 1,052,865	\$ 16,845	\$ 18,535	\$ -	\$ -	\$ 35,380
1598	Group 1 Sub-Total (including Account 1598 - Global Adjustment)	\$ 1,473,501	\$ 454,557	\$ 10,976	\$ -	\$ -	\$ -	\$ -	\$ 1,029,920	\$ 19,452	\$ 20,509	\$ -	\$ -	\$ 39,961
1598	Group 1 Sub-Total (excluding Account 1598 - Global Adjustment)	\$ 134,982	\$ 112,037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,945	\$ 2,607	\$ 1,974	\$ -	\$ -	\$ 4,581
RSVA - Power - Sub-account - Global Adjustment														
Group 2 Accounts														
1508	Other Regulatory Assets - Sub-Account - OEB Cost Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Pension Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	\$ 24,673	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,673	\$ 207	\$ 408	\$ -	\$ -	\$ 613
1508	Other Regulatory Assets - Sub-Account - Incremental Capital Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit Act <sup>8</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1508	Other Regulatory Assets - Sub-Account - Other <sup>4</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1518	Retail Cost Variance Account - Retail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1525	Misc. Deferred Debits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1531	Renewable Generation Connection Capital Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1532	Renewable Generation Connection OM&A Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1533	Renewable Generation Connection Funding Adder Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1534	Smart Grid Capital Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1535	Smart Grid OM&A Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1536	Smart Grid Funding Adder Deferral Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1546	Retail Cost Variance Account - STR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1567	Board-Approved CDM Variance Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1572	Extra-Ordinary Event Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1574	Deferred Rate Impact Amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1592	PIUs and Tax Variance for 2006 and Subsequent Years - Sub-Account HISTOVAT	\$ 38,244	\$ 119,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,307	\$ -	\$ 1,346	\$ -	\$ -	\$ 1,346
2425	Input Tax Credits (ITCs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1592	Other Deferred Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1592	Deferred Payments in Lieu of Taxes	\$ 13,571	\$ 99,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,634	\$ 207	\$ 940	\$ -	\$ -	\$ 733
1592	PIUs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	\$ 53,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,774	\$ 25,785	\$ 790	\$ -	\$ -	\$ 24,995
1592	PIUs and Tax Variance for 2006 and Subsequent Years - Sub-Account HISTOVAT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1592	Input Tax Credits (ITCs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Group 2 Sub-Total														
1592	Deferred Payments in Lieu of Taxes	\$ 13,571	\$ 99,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,634	\$ 207	\$ 940	\$ -	\$ -	\$ 733
1592	PIUs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	\$ 53,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,774	\$ 25,785	\$ 790	\$ -	\$ -	\$ 24,995
1592	PIUs and Tax Variance for 2006 and Subsequent Years - Sub-Account HISTOVAT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1592	Input Tax Credits (ITCs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)														
		\$ 1,675,628	\$ 467,531	\$ 10,976	\$ -	\$ -	\$ -	\$ -	\$ 1,219,273	\$ 9,147	\$ 20,265	\$ -	\$ -	\$ 11,118

Account Number	Account Descriptions	Opening Principal Amounts as of Jan-11	Transactions Debit/(Credit) during 2011 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2011	Other <sup>2</sup> Adjustments during Q1 2011	Other <sup>2</sup> Adjustments during Q2 2011	Other <sup>2</sup> Adjustments during Q3 2011	Other <sup>2</sup> Adjustments during Q4 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-11	Interest Jan-1 to Dec-31-11	Board-Approved Disposition during 2011	Adjustments during 2011 - other <sup>2</sup>	Closing Interest Amounts as of Dec-31-11
1521	Special Purpose Charge Assessment Variance Account <sup>8</sup>	\$ 89,152	\$ 74,638						\$ 14,514	\$ 510	\$ 589			\$ 1,079
1568	LRAM Variance Account	\$ -							\$ -	\$ -				\$ -
	Total including Account 1521 and Account 1568	\$ 1,586,676	\$ 392,893	\$ 10,976	\$ -	\$ -	\$ -	\$ -	\$ 1,204,759	\$ 9,657	\$ 19,696	\$ -	\$ -	\$ 10,039
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	\$ -							\$ -	\$ -				\$ -
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	\$ -							\$ -	\$ -				\$ -
1555	Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	\$ -							\$ -	\$ -				\$ -
1556	Smart Meter OM&A Variance <sup>11</sup>	\$ -							\$ -	\$ -				\$ -
	The following is not included in the total claim but are included on a memo basis:													
1563	Deferred PILs Contra Account <sup>9</sup>	\$ 53,774							\$ 53,774	\$ 25,786	\$ 790			\$ 24,995
1575	IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	\$ -							\$ -	\$ -				\$ -
1575	PILs and Tax Variance for 2006 and Subsequent Years -	\$ -							\$ -	\$ -				\$ -
1592	Sub-Account HST/OVAT Contra Account	\$ -							\$ -	\$ -				\$ -
1595	Disposition and Recovery of Regulatory Balances <sup>7</sup>	\$ 390,576	\$ 282,459						\$ 128,077	\$ 2,736	\$ 3,736			\$ 8,472

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (i.e. negative figure) as per the related Board decision.

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs w/ Adjustments instructed by the Board include differential/expense account balances moved to Account 1590 as a result of the For RSA accounts only, report the net variance to the account during the year. For all other accounts, record the transfer Please describe "other" components of 1508 and add more component lines if necessary.

1593 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation of the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2013 to December 31, 2013 in the 2013 rate decision.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) balances in Account 1595 on a memo basis only (line B5).

As per the January 5, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adjust their invoices as of January 1, 2011 will be able to adjust their invoices as of January 1, 2012. The Board expects that requests for disposition of the balances in Account 1521 were to be addressed as part of the process of non-compliance with the timeline set out in section 8 of the SPC regulation.

Account 1575 shall not be cleared through the distributor's deferral and variance account rate rider. Account 1575 shall be deferred accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance Account Guideline: Smart Meter Disposition and Cost Recovery (C-2011-0001)

# Deferral/Variance Account for 2013

Account Descriptions		2012				Projected Interest on Dec-31-11 Balances			2.1.7 RRR
Account Number	Principal Disposition during 2012 - instructed by Board	Interest Disposition during 2012 - Board	Closing Principal Balance as of Dec 31-11 Adjusted for Dispositions during 2012	Closing Interest Balance as of Dec 31-11 Adjusted for Dispositions during 2012	Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31-11 balance adjusted for disposition during 2012 *	Total Claim	As of Dec 31-11	Variance RRR vs. 2011 Balance (Principal + Interest)	
Group 1 Accounts									
1550	LV Variance Account								
1580	RSVA - Wholesale Market Service Charge	\$ 600,098 -	\$ 10,885 -	\$ 415,650 -	\$ 4,300 -	\$ 6,110 -	\$ 428,087 -	\$ 1,030,733 -	
1584	RSVA - Retail Transmission Network Charge	\$ 253,071 -	\$ 5,750 -	\$ 249,250 -	\$ 729 -	\$ 1,221 -	\$ 254,864 -	\$ 15,642 -	
1586	RSVA - Retail Transmission Connection Charge	\$ 254,647 -	\$ 5,718 -	\$ 135,550 -	\$ 33 -	\$ 1,993 -	\$ 136,240 -	\$ 124,782 -	
1588	RSVA - Power (excluding Global Adjustment)	\$ 155,167 -	\$ 7,532 -	\$ 306,835 -	\$ 511 -	\$ 4,510 -	\$ 313,359 -	\$ 144,852 -	
1588	RSVA - Power - Sub-account - Global Adjustment	\$ 134,982 -	\$ 870 -	\$ 112,037 -	\$ 3,711 -	\$ 1,647 -	\$ 117,944 -	\$ 18,364 -	
1590	Recovery of Regulatory Asset Balances								
1595	Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>								
1595	Disposition and Recovery/Refund of Regulatory Balances (2009) <sup>7</sup>				\$ 6,730 -		\$ 6,730 -	\$ -	
1595	Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>7</sup>			\$ 32,827 -	\$ 519 -	\$ 484 -	\$ 34,081 -	\$ 33,446 -	
1588	Group 1 Sub-Total (including Account 1588 - Global Adjustment)	\$ 1,407,960 -	\$ 28,815 -	\$ 355,095 -	\$ 6,565 -	\$ 5,220 -	\$ 355,489 -	\$ 1,088,245 -	
1588	Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)	\$ 1,272,978 -	\$ 29,685 -	\$ 243,058 -	\$ 10,276 -	\$ 3,573 -	\$ 237,545 -	\$ 1,069,881 -	
1588	RSVA - Power - Sub-account - Global Adjustment	\$ 134,982 -	\$ 870 -	\$ 112,037 -	\$ 3,711 -	\$ 1,647 -	\$ 117,944 -	\$ 18,364 -	
Group 2 Accounts									
1508	Other Regulatory Assets - Sub-Account - OEB Cost Assessments		\$ -	\$ -			\$ -	\$ -	
1508	Other Regulatory Assets - Sub-Account - Pension Contributions		\$ -	\$ -			\$ -	\$ -	
1508	Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs		\$ 44,673 -	\$ 613 -	\$ 219 -	\$ 657 -	\$ 46,162 -	\$ 45,298 -	
1508	Other Regulatory Assets - Sub-Account - Incremental Capital Charges		\$ -	\$ -			\$ -	\$ -	
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Variance *		\$ -	\$ -			\$ -	\$ -	
1508	Ontario Clean Energy Benefit Act <sup>8</sup>		\$ -	\$ -			\$ -	\$ -	
1508	Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery Carrying Charges		\$ -	\$ -			\$ -	\$ -	
1508	Other Regulatory Assets - Sub-Account - Other <sup>4</sup>		\$ -	\$ -			\$ -	\$ -	
1518	Retail Cost Variance Account - Retail		\$ -	\$ -			\$ -	\$ -	
1525	Misc. Deferred Debts		\$ -	\$ -			\$ -	\$ -	
1531	Renewable Generation Connection Capital Deferral Account		\$ -	\$ -			\$ -	\$ -	
1532	Renewable Generation Connection OMI&A Deferral Account		\$ -	\$ -			\$ -	\$ -	
1533	Renewable Generation Connection Funding Alder Deferral Account		\$ -	\$ -			\$ -	\$ -	
1534	Smart Grid Capital Deferral Account		\$ -	\$ -			\$ -	\$ -	
1538	Smart Grid OMI&A Deferral Account		\$ -	\$ -			\$ -	\$ -	
1546	Retail Cost Variance Account - STR		\$ -	\$ -			\$ -	\$ -	
1597	Board-Approved CDM Variance Account		\$ -	\$ -			\$ -	\$ -	
1572	Extra-Ordinary Event Costs		\$ -	\$ -			\$ -	\$ -	
1574	Deferred Rate Impact Amounts		\$ -	\$ -			\$ -	\$ -	
1592	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT	\$ 110,741 -	\$ -	\$ 48,566 -	\$ 1,346 -	\$ 685 -	\$ 48,825 -	\$ 158,653 -	
2425	Input Tax Credits (ITCs)	\$ 110,741 -	\$ -	\$ -	\$ -	\$ 28 -	\$ -	\$ 50,579 -	
2425	Other Deferred Credits	\$ 53,774 -	\$ 24,732 -	\$ -	\$ 263 -	\$ 263 -	\$ -	\$ 28,779 -	
1592	Group 2 Sub-Total	\$ 110,741 -	\$ -	\$ 1,893 -	\$ 733 -	\$ 28 -	\$ 2,663 -	\$ 50,579 -	
1592	Deferred Payments in Lieu of Taxes								
1592	PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	\$ 53,774 -	\$ 24,732 -	\$ -	\$ 263 -	\$ 263 -	\$ -	\$ 28,779 -	
1592	PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT								
1592	Input Tax Credits (ITCs)								
Total of Group 1 and Group 2 Accounts (including 1582 and 1592)		\$ 1,572,475 -	\$ 4,083 -	\$ 353,202 -	\$ 7,035 -	\$ 4,929 -	\$ 352,826 -	\$ 1,167,603 -	
								\$ 62,788 -	

Account Descriptions	Account Number	2012				Projected Interest on Dec-31-11 Balances		2.1.7 RRR	
		Principal Dispositions during 2012 - instructed by Board	Interest Disposition during 2012 - instructed by Board	Closing Principal Balance as of Dec 31-11 Adjusted for Dispositions during 2012	Closing Interest Balance as of Dec 31-11 Adjusted for Dispositions during 2012	Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31-11 balance adjusted for disposition during 2012	Total Claim	As of Dec 31-11	Variance RRR vs. 2011 Balance (Principal + Interest)
Special Purpose Charge Assessment Variance Account <sup>9</sup>	1521	\$ 14,514	\$ 1,150	\$ -	\$ 71	\$ -	\$ -	\$ 15,593	\$ -
LRAM Variance Account	1568			\$ -	\$ -				\$ -
Total including Account 1521 and Account 1568		\$ 1,557,961	\$ 2,933	\$ 353,202	\$ 7,106	\$ 5,000	\$ 352,626	\$ 1,152,010	\$ 62,789
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital <sup>11</sup>	1555		\$ -	\$ -	\$ -				\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries <sup>11</sup>	1555		\$ -	\$ -	\$ -				\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs <sup>11</sup>	1555		\$ -	\$ -	\$ -				\$ -
Smart Meter OMA Variance <sup>11</sup>	1556		\$ -	\$ -	\$ -				\$ -
The following is not included in the total claim but are included on a memo basis:									
Deferred PILs Contra Account <sup>5</sup>	1563	\$ 53,774	\$ 24,732	\$ -	\$ 253	\$ 263	\$ -	\$ 28,779	\$ -
IFRS-CGAAP Transition PP&E Amounts <sup>10</sup>	1575		\$ -	\$ -	\$ -				\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1582								\$ -
Disposition and Recovery of Regulatory Balances <sup>7</sup>	1595			\$ 128,077	\$ 6,472	\$ -	\$ 134,549	\$ 134,549	\$ -

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. negative figure) as per the related Board decision.

Provide supporting statement indicating whether due to detail of costs in 2006 EDR by the Board, 10% transition costs w/ Adjustments instructed by the Board include deferral/variance account balances moved to Account 1595 as a result of the Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disp For RSA accounts only, report the net variance to the account during the year. For all other accounts, record the tranac Please describe "other" components of 1598 and add more component lines if necessary.

1593 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the oblig If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from Ja balances approved by the Board in the 2012 rate decision.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund balances in Account 1595 on a memo basis only (line 85).

As per the January 6, 2011 Letter from the Board, regarding the implementation of the Ontario Clean Energy Benefit:

"By way of exception... The Board does anticipate that licensed distributors that cannot adapt their invoices as of January 1 balances in "Sub account Financial Assistance Payment and Recovery Variance - Ontario Clean Energy Benefit, Acct" will be The Board expects that requests for disposition of the balances in Account 1521 were to be addressed as part of the proc non-compliance with the timeline set out in section 8 of the SPC regulation.

Account 1575 shall not be cleared through the distributor's deferral and variance account rate rider. Account 1573 shall be Deferral accounts related to Smart Meter deployment are not to be recovered/refunded through the Deferral and Variance /

Guideline: Smart Meter Disposition and Cost Recovery (G-2011-0001)



## Deferral/Variance Account Workform for 2013 Filers

Accounts that produced a variance on the 2013 continuity schedule are listed below.  
Please provide a detailed explanation for each variance below.

Account Descriptions	Account Number	Variance RSE vs. 2011 Balance (Principal + Interest)	Explanation
<b>Group 1 Accounts</b>			
<b>Group 2 Accounts</b>			
Smart Grid OM&A Deferral Account	1535	\$ 62,788.00	



# Deferral/Variance Account Workform for 2013 Filers

In the green shaded cells, enter the most recent Board Approved volumetric forecast. If there is a material difference between the latest Board-approved volumetric forecast and the most recent 12-month actual volumetric data, use the most recent 12-month actual data. Do not enter data for the MicroFit class.

Sheet 2	5
Variance	5

<sup>1</sup> For Account 1562, the allocation to customer classes should be performed on the basis of the test year distribution revenue allocation to customer classes found in the Applicant's Cost of Service application that was most recently approved at the time of disposition of the 1562 account balances.

<sup>2</sup> Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

# Deferral/Variance Account Worksheet for 2013 Filers

	Amounts from Sheet 2	Allocator	Residential	General Service <50 kW	General Service 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lights	Street Lights
LV Variance Account	1500								
RSVA - Wholesale Market Service Charge	1500	kWh	0	0	0	0	0	0	0
RSVA - Retail Transmission Network Charge	1500	kWh	(164,951)	(55,569)	(143,116)	(60,588)	(1,131)	(847)	(1,355)
RSVA - Retail Transmission Connection Charge	1506	kWh	98,202	33,092	85,350	35,070	593	594	771
RSVA - Power (excluding Global Adjustment)	1508	kWh	53,266	17,944	40,409	15,565	365	373	418
RSVA - Power - Sub-account - Global Adjustment	1508	Non-RPP kWh	120,741	40,673	103,197	44,548	600	600	948
Recovery of Regulatory Asset Balances	1508	kWh	11,158	4,230	69,841	33,159	28	18	709
Disposition and Recovery/Refund of Regulatory Balances (2008)	1509	kWh	0	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009)	1509	kWh	(2,593)	(874)	(2,238)	(92)	(18)	(13)	(20)
Disposition and Recovery/Refund of Regulatory Balances (2010)	1509	kWh	(13,136)	(4,423)	(11,443)	(4,623)	(90)	(57)	(103)
<b>Total of Group 1 Accounts (excluding 1508 sub-account)</b>	<b>237,645</b>		<b>91,629</b>	<b>30,834</b>	<b>73,746</b>	<b>33,819</b>	<b>527</b>	<b>470</b>	<b>719</b>
Other Regulatory Assets - Sub-Account - O&B Cost Assessments	1508		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Pension Contributions	1508		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Deferred JRS Transition Costs	1508	kWh	17,787	5,992	15,497	5,533	122	91	140
Other Regulatory Assets - Sub-Account - Financial Capital Charges	1508		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery/Variance - Ontario Clean Energy Benefit Act	1508		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and Recovery/Variance - Sub-Account - Other	1508		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Retail	1508		0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Other	1508		0	0	0	0	0	0	0
Renewable Generation Connection Capital Deferral Account	1531		0	0	0	0	0	0	0
Renewable Generation Connection OMA&A Deferral Account	1531		0	0	0	0	0	0	0
Renewable Generation Connection Finding Aider Deferral Account	1532		0	0	0	0	0	0	0
Smart Grid Capital Deferral Account	1533		0	0	0	0	0	0	0
Smart Grid OMA&A Deferral Account	1534		0	0	0	0	0	0	0
Smart Grid Funding Adder Deferral Account	1536		0	0	0	0	0	0	0
Smart Grid Funding Adder Deferral Account - STIR	1548		0	0	0	0	0	0	0
Board-Approved CDM Variance Account	1567		0	0	0	0	0	0	0
Extra-Ordinary Event Costs	1572		0	0	0	0	0	0	0
Deferred Rate Impact Amounts	1574		0	0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account	1592	kWh	(18,813)	(6,338)	(16,391)	(6,910)	(129)	(97)	(148)
HST/OVAT Input Tax Credits (ITCs)	2425		0	0	0	0	0	0	0
<b>Total of Group 2 Accounts</b>	<b>(2,663)</b>		<b>(1,026)</b>	<b>(346)</b>	<b>(854)</b>	<b>(377)</b>	<b>(7)</b>	<b>(15)</b>	<b>(8)</b>
Deferred Payments in Lieu of Taxes	1562		0	0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592		0	0	0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592		0	0	0	0	0	0	0
<b>Total of Account 1562 and Account 1592</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Special Purpose Charge Assessment Variance Account	1521		0	0	0	0	0	0	0
LRAM Variance Account (Enter dollar amount for each class)	1568		0	0	0	0	0	0	0
Variance (Account 1568 - total amount allocated to classes)	0		0	0	0	0	0	0	0
<b>Total Balance Allocated to each class (excluding 1508 sub-account)</b>	<b>234,832</b>		<b>90,603</b>	<b>30,489</b>	<b>78,552</b>	<b>33,242</b>	<b>620</b>	<b>465</b>	<b>711</b>
<b>Total Balance in Account 1508 - sub account</b>	<b>117,944</b>		<b>11,188</b>	<b>4,230</b>	<b>69,641</b>	<b>33,159</b>	<b>28</b>	<b>18</b>	<b>709</b>
<b>Total Balance Allocated to each class (including 1508 sub-account)</b>	<b>352,776</b>		<b>101,791</b>	<b>34,719</b>	<b>147,493</b>	<b>66,401</b>	<b>648</b>	<b>483</b>	<b>1,420</b>

# Deferral/Variance Account for 2013 Filers

	Amounts from Sheet 2	Allocator							
LV Variance Account	1550	0	NWh	0	0	0	0	0	0
RSVA - Wholesale Market Service Charge	1550	(428,097)	NWh	0	0	0	0	0	0
RSVA - Retail Transmission Network Charge	1554	254,884	NWh	0	0	0	0	0	0
RSVA - Retail Transmission Connection Charge	1556	138,240	NWh	0	0	0	0	0	0
RSVA - Power (excluding Global Adjustment)	1558	313,359	NWh	0	0	0	0	0	0
RSVA - Power - Sub-account - Global Adjustment	1559	117,944	Non-RPP kWh	0	0	0	0	0	0
Recovery of Regulatory Asset Balances	1560	0	NWh	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2008)	1565	0	NWh	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009)	1565	(6,130)	NWh	0	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	(34,091)	NWh	0	0	0	0	0	0
<b>Total of Group 1 Accounts (excluding 1588 sub-account)</b>		<b>237,845</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	46,162	kWh	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and	1508	0	0	0	0	0	0	0	0
Recovery Variance - Ontario Clean Energy Benefit Act	1508	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Financial Assistance Payment and	1508	0	0	0	0	0	0	0	0
Recovery Carrying Charges	1508	0	0	0	0	0	0	0	0
Other Regulatory Assets - Sub-Account - Other	1508	0	0	0	0	0	0	0	0
Retail Cost Variance Account - Retail	1518	0	0	0	0	0	0	0	0
Misc. Deferred Debits	1525	0	0	0	0	0	0	0	0
Renewable Generation Connection Capital Deferral Account	1531	0	0	0	0	0	0	0	0
Renewable Generation Connection OM&A Deferral Account	1532	0	0	0	0	0	0	0	0
Renewable Generation Connection Funding Adder Deferral Account	1533	0	0	0	0	0	0	0	0
Smart Grid Capital Deferral Account	1534	0	0	0	0	0	0	0	0
Smart Grid OM&A Deferral Account	1535	0	0	0	0	0	0	0	0
Smart Grid Funding Adder Deferral Account	1536	0	0	0	0	0	0	0	0
Retail Cost Variance Account - STR	1549	0	0	0	0	0	0	0	0
Board-Approved CDM Variance Account	1567	0	0	0	0	0	0	0	0
Extra-Ordinary Event Costs	1572	0	0	0	0	0	0	0	0
Deferred Rate Impact Amounts	1574	0	0	0	0	0	0	0	0
PLIs and Tax Variance for 2006 and Subsequent Years - Sub-Account	1592	(48,825)	kWh	0	0	0	0	0	0
HST/OVAT Input Tax Credits (ITCs)	1592	0	0	0	0	0	0	0	0
<b>Total of Group 2 Accounts</b>	<b>2425</b>	<b>(2,563)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred Payments in Lieu of Taxes	1502	0	0	0	0	0	0	0	0
PLIs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	0	0	0	0	0	0	0	0
PLIs and Tax Variance for 2006 and Subsequent Years * Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	0	0	0	0	0	0	0	0
<b>Total of Account 1562 and Account 1592</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Special Purpose Charge Assessment Variance Account	1521	0	0	0	0	0	0	0	0
LRAM Variance Account (Enter dollar amount for each class)	1568	0	0	0	0	0	0	0	0
Variance (Account 1568 - total amount allocated to classes)		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Balance Allocated to each class (excluding 1588 sub-account)</b>		<b>234,882</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Balance in Account 1588 - sub account</b>		<b>117,944</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Balance Allocated to each class (including 1588 sub-account)</b>		<b>352,826</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

[illegible]



## Deferral/Variance Account Workform for 2013 Filers

2

**Rate Rider Calculation for Deferral / Variance Accounts Balances (excluding Global Adj.)**

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1588 sub-account)	Rate Rider for Deferral/Variance Accounts
Residential	kWh	160,995,683	\$ 90,503	\$/kWh 0.0003
General Service <50 kW	kWh	54,236,152	\$ 30,489	\$/kWh 0.0003
General Service 50 to 4,999 kW	kW	391,638	\$ 78,852	\$/kW 0.1007
Large Use	kWh	168,534	\$ 33,242	\$/kWh 0.0986
Unmetered Scattered Load	kWh	1,103,690	\$ 620	\$/kWh 0.0003
Sentinel Lights	kW	2,297	\$ 465	\$/kW 0.1011
Street Lights	kW	3,552	\$ 711	\$/kW 0.1001
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		\$ -	-	-
		\$ -	-	-
		\$ -	-	-
Total		\$ -	\$ 234,882	-

## Rate Rider Calculation for RSVA - Power - Sub-account - Global Adjustment

Rate Class (Enter Rate Classes in cells below)					
	Units	kW / kWh / # of Customers	Balance of RSVA - Power - Sub-	Rate Rider for RSVA - Power -	
Residential	kWh	19,899,066	\$ 11,158	0.0003 \$/kWh	
General Service <50 kW	kWh	7,544,249	\$ 4,230	0.0003 \$/kWh	
General Service 50 to 4,999 kW	kW	341,782	\$ 68,641	0.1004 \$/kW	
Large Use	kW	169,534	\$ 33,159	0.0984 \$/kW	
Unmetered Scattered Load	kWh	49,666	\$ 28	0.0003 \$/kWh	
Sentinel Lights	kW	91	\$ 18	0.1009 \$/kW	
Street Lights	kW	3,552	\$ 709	0.0998 \$/kW	
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		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
Total		-	\$ 117,944	-	